

103
INTERNATIONAL NARCOTICS

Y 4.G 74/7:N 16/3

International Narcotics, 103-2 Hear...

HEARING
BEFORE THE
LEGISLATION AND NATIONAL
SECURITY SUBCOMMITTEE
OF THE
COMMITTEE ON
GOVERNMENT OPERATIONS
HOUSE OF REPRESENTATIVES
ONE HUNDRED THIRD CONGRESS
SECOND SESSION

OCTOBER 7, 1994

Printed for the use of the Committee on Government Operations



U.S. GOVERNMENT PRINTING OFFICE

85-909 CC

WASHINGTON : 1995

For sale by the U.S. Government Printing Office
Superintendent of Documents, Congressional Sales Office, Washington, DC 20402
ISBN 0-16-047556-2

103
INTERNATIONAL NARCOTICS

Y 4.G 74/7:N 16/3

International Narcotics, 103-2 Hear...

HEARING
BEFORE THE
LEGISLATION AND NATIONAL
SECURITY SUBCOMMITTEE
OF THE
COMMITTEE ON
GOVERNMENT OPERATIONS
HOUSE OF REPRESENTATIVES
ONE HUNDRED THIRD CONGRESS
SECOND SESSION

OCTOBER 7, 1994

Printed for the use of the Committee on Government Operations



U.S. GOVERNMENT PRINTING OFFICE
WASHINGTON : 1995

85-809 CC

For sale by the U.S. Government Printing Office
Superintendent of Documents, Congressional Sales Office, Washington, DC 20402
ISBN 0-16-047556-2

COMMITTEE ON GOVERNMENT OPERATIONS

JOHN CONYERS, JR., Michigan, *Chairman*

CARDISS COLLINS, Illinois
HENRY A. WAXMAN, California
MIKE SYNAR, Oklahoma
STEPHEN L. NEAL, North Carolina
TOM LANTOS, California
MAJOR R. OWENS, New York
EDOLPHUS TOWNS, New York
JOHN M. SPRATT, JR., South Carolina
GARY A. CONDIT, California
COLLIN C. PETERSON, Minnesota
KAREN L. THURMAN, Florida
BOBBY L. RUSH, Illinois
CAROLYN B. MALONEY, New York
THOMAS M. BARRETT, Wisconsin
DONALD M. PAYNE, New Jersey
FLOYD H. FLAKE, New York
JAMES A. HAYES, Louisiana
CRAIG A. WASHINGTON, Texas
BARBARA-ROSE COLLINS, Michigan
CORRINE BROWN, Florida
MARJORIE MARGOLIES-MEZVINSKY,
Pennsylvania
LYNN C. WOOLSEY, California
GENE GREEN, Texas
BART STUPAK, Michigan

WILLIAM F. CLINGER, JR., Pennsylvania
AL McCANDLESS, California
J. DENNIS HASTERT, Illinois
JON L. KYL, Arizona
CHRISTOPHER SHAYS, Connecticut
STEVEN SCHIFF, New Mexico
CHRISTOPHER COX, California
CRAIG THOMAS, Wyoming
ILEANA ROS-LEHTINEN, Florida
DICK ZIMMER, New Jersey
WILLIAM H. ZELIFF, JR., New Hampshire
JOHN M. MCHUGH, New York
STEPHEN HORN, California
DEBORAH PRYCE, Ohio
JOHN L. MICA, Florida
ROB PORTMAN, Ohio
FRANK D. LUCAS, Oklahoma

BERNARD SANDERS, Vermont
(Independent)

JULIAN EPSTEIN, *Staff Director*
MATTHEW R. FLETCHER, *Minority Staff Director*

LEGISLATION AND NATIONAL SECURITY SUBCOMMITTEE

JOHN CONYERS, JR., Michigan, *Chairman*

CARDISS COLLINS, Illinois
STEPHEN L. NEAL, North Carolina
CAROLYN B. MALONEY, New York
TOM LANTOS, California
CORRINE BROWN, Florida

AL McCANDLESS, California
WILLIAM F. CLINGER, JR., Pennsylvania
JON L. KYL, Arizona
DICK ZIMMER, New Jersey

JAMES C. TURNER, *Staff Director*
MIRANDA G. KATSOYANNIS, *Professional Staff Member*
CHERYL A. PHELPS, *Professional Staff Member*
ERIC M. THORSON, *Professional Staff Member*
BENNIE B. WILLIAMS, *Clerk*
CHERYL G. MATCHO, *Clerk*
ROSALIND BURKE-ALEXANDER, *Staff Assistant*
JANE O. COBB, *Minority Professional Staff*

CONTENTS

	Page
Hearing held on October 7, 1994	1
Statement of:	
Arcos, Cresencio S., Principal Deputy Assistant Secretary, Bureau of International Narcotics Matters, U.S. Department of State	37
Brown, Lee P., Director, Office of National Drug Control Policy	16
Constantine, Thomas A., Administrator, Drug Enforcement Administration, U.S. Department of Justice	30
Conyers, Hon. John, Jr., a Representative in Congress from the State of Michigan, and chairman, Legislation and National Security Subcommittee: Opening statement	1
Gilman, Hon. Benjamin A., a Representative in Congress from the State of New York	8
Kelley, Joseph E., Director in Charge, International Affairs Issues, National Security and International Affairs Division, accompanied by Andreas Ramirez, Assistant Director, International Affairs Issues Area; Ronald Hughes, evaluator; and Robert Stolba, evaluator, Systems Development and Production, U.S. General Accounting Office	25
Rangel, Hon. Charles B., a Representative in Congress from the State of New York	4
Sheridan, Brian, Deputy Assistant Secretary of Defense for Drug Enforcement Policy and Support, U.S. Department of Defense	42
Letters, statements, etc., submitted for the record by:	
Arcos, Cresencio S., Principal Deputy Assistant Secretary, Bureau of International Narcotics Matters, U.S. Department of State: Prepared statement	39
Brown, Lee P., Director, Office of National Drug Control Policy: Prepared statement	18
Clinger, Hon. William F., Jr., a Representative in Congress from the State of Pennsylvania: Prepared statement	22
Constantine, Thomas A., Administrator, Drug Enforcement Administration, U.S. Department of Justice: Prepared statement	33
Conyers, Hon. John, Jr., a Representative in Congress from the State of Michigan, and chairman, Legislation and National Security Subcommittee: Prepared statement	2
Gilman, Hon. Benjamin A., a Representative in Congress from the State of New York: Prepared statement	11
Kelley, Joseph E., Director in Charge, International Affairs Issues, National Security and International Affairs Division, U.S. General Accounting Office	27
Maloney, Hon. Carolyn B., a Representative in Congress from the State of New York: Prepared statement	3
Rangel, Hon. Charles B., a Representative in Congress from the State of New York: Prepared statement	7
Sheridan, Brian, Deputy Assistant Secretary of Defense for Drug Enforcement Policy and Support, U.S. Department of Defense: Prepared statement	42

INTERNATIONAL NARCOTICS

FRIDAY, OCTOBER 7, 1994

HOUSE OF REPRESENTATIVES,
LEGISLATION AND NATIONAL SECURITY SUBCOMMITTEE
OF THE COMMITTEE ON GOVERNMENT OPERATIONS,
Washington, DC.

The subcommittee met, pursuant to notice, at 12:10 p.m., in room 2154, Rayburn House Office Building, Hon. John Conyers, Jr. (chairman of the subcommittee) presiding.

Members present: Representatives John Conyers, Jr., Al McCandless, and William F. Clinger, Jr.

Also present: Representative John L. Mica.

Staff present: James C. Turner, staff director; Miranda G. Katsoyannis, professional staff member; Cheryl G. Matcho and Bennie B. Williams, clerks; and Jane O. Cobb, minority professional staff.

OPENING STATEMENT OF CHAIRMAN CONYERS

Mr. CONYERS. Good morning. The subcommittee will come to order.

We have Ben Gilman, with Charlie Rangel, here. Is he in the room? I guess he isn't.

Charles Rangel headed up our Select Committee on Narcotics Abuse and Control, and has been a key player for many years in the Congress on drug issues. He now is chairman of the Speaker's Congressional Task Force on Narcotics. We are delighted to have you begin this discussion.

This hearing is being put together at the request of our departing colleague, Al McCandless, who wanted to more clearly look at interdiction; and I would like him to make an opening comment.

And then, Chairman Rangel, we would be delighted to have your comments, and then we will go to Lee Brown. Thanks for your time and your presence this morning.

Mr. RANGEL. Thank you, my friend and chairman.

Mr. CONYERS. Al McCandless, after 12 years, is going to be leaving the 103d Congress, and we are delighted that he has been with us over this period of time. We have accomplished many things, held good oversight hearings and we are going to be sorry to see you leave, Al. We would like to hear your comments about the international drug control efforts and the drug czar's office and other related matters.

[The prepared statement of Mr. Conyers follows:]

PREPARED STATEMENT OF HON. JOHN CONYERS, JR., A REPRESENTATIVE IN
CONGRESS FROM THE STATE OF MICHIGAN

The Subcommittee will come to order. Today we continue our oversight of drug control efforts of the Office of National Drug Control Policy.

These efforts seek two objectives—cutting the supply of drugs, and curbing the demand for them. Let's be frank, most drug policy experts agree that our past efforts have not significantly deterred Americans from spending over \$49 billion a year on drugs. Nor have they stemmed the flow of illicit drugs into the United States.

After our government had devoted over \$52 billion on drug control efforts, the Clinton Administration has begun to implement a new drug control strategy that changes our approach on both the problem of supply and that of demand.

On the demand side, this new strategy recognizes what the experts have been saying all along—that there is a strong link between hardcore drug use and its health and crime consequences to society. Recognizing this fact, the Administration has proposed increased funding for treatment and prevention efforts to a record level \$5.4 billion for fiscal year 1995, or 41 percent of the total drug control budget, demonstrating its commitment to closing the gap between funding for supply and demand reduction programs.

On the supply side, this new strategy has changed the emphasis in our international drug programs from the past concentration on an interdiction-based policy to an approach which becomes an integral part of our foreign policy goals. Today we will be focussing particular attention on this change in our approach to the supply side of the drug equation.

Specifically, the new supply strategy stresses three key components.

First, it provides additional assistance to the so-called "source" countries—Bolivia, Colombia and Peru. This aid helps these nations address the root causes of drug production and trafficking through sustainable development, stronger democratic institutions, and cooperative programs to counter drug traffickers.

Second, the strategy targets drug trafficking organizations for international law enforcement actions.

Third, it emphasizes more selective and flexible interdiction programs near the U.S. border, in the transit zones and in source countries.

It remains to be seen whether this new approach will work better than the earlier strategy. As such, I strongly encourage Dr. Brown to exercise the new authorities of his office to the fullest extent of the law.

So today, we will examine this new approach and how well it is working. We are joined by Congressmen Rangel and Gilman, the Director of the Office of National Drug Control Policy, Lee Brown, and representatives of the GAO, the State Department, the Department of Defense and the Drug Enforcement Administration. We look forward to their testimony.

Before we begin, I now turn to my colleague Al McCandless, who is responsible for our holding today's hearing. Al is retiring after this session of Congress, and this is his final hearing as a member of Government Operations. We thank you for your contribution to the Committee and the Congress, and I would now recognize the gentleman from California for any opening comments.

Mr. McCANDLESS. Thank you, Mr. Chairman, for convening this very important hearing on our national drug strategy as it relates to programs and activities in the source countries, Colombia, Bolivia, and Peru.

I have taken a deep interest in this committee's oversight of our national drug strategy since the inception of the drug czar's office 5 years ago. I have traveled the Andean region a number of times over that period—and prior to that, I might add—and have seen firsthand the dangerous and difficult situations faced by these countries as they attempt to curtail the illegal activities of the drug cartels.

Assistant Secretary Brian Sheridan, our Defense Department witness today, is also acutely aware of the dangers in our antinarcotics activities. A few weeks ago, he was in a helicopter that was fired upon while carrying out a drug operation in Colombia.

The ability of the Andean countries to make a significant impact on drug production and trafficking is hampered not only by the cartel's strength and firepower, but by these countries' scarce resources, frail infrastructures, political unrest, corruption, weak judicial and correctional institutions and social and economic problems.

In spite of the obstacles, however, personal commitment among Colombians, Bolivians, and Peruvians on the front lines has been strong and valiant. That commitment is evidenced by the hundreds of men and women who have given their lives in the struggle against the drug cartels.

Our own personal frontline commitment can also be measured in loss of life. Most recently, on August 27, 1994, five DEA agents gave their lives while on an antinarcotics mission in the Upper Huallaga Valley in Peru. In spite of any unresolved political debate that may be taking place on the merits of the antinarcotics program we support, it is imperative that those persons planning and assigning funds to our drug strategy give the highest priority to the programs which ask men and women to put their lives on the line. We must commit to these programs 100 percent in terms of training, equipment and resources. We must give our frontline personnel the best tools available to do their jobs, or we should not be asking them to do it.

Thorough oversight over the Andean strategy is very important, but distance, language and cultural differences make it difficult. As a result, Congress must rely on hearings like this one to find out what we are doing, what the problems are, and what is necessary to fix them.

Today, I am seeking some reassurance by our witnesses, especially our drug czar, that future strategies give priority funding and resources to risk-laden activities. Obviously, both the administration and Congress need clear direction about the dedication of resources needed for these dangerous overseas operations.

With that, Mr. Chairman, I would like to thank you for convening this hearing, and I look forward to the testimony of our witnesses.

Mr. CONYERS. Thank you very much.

[The prepared statement of Mrs. Maloney follows:]

PREPARED STATEMENT OF HON. CAROLYN B. MALONEY, A REPRESENTATIVE IN
CONGRESS FROM THE STATE OF NEW YORK

Thank you Mr. Chairman for holding this oversight hearing on the efforts of the Office of National Drug Control Policy on international drug control. Drug abuse is one of the most serious problems confronting our nation and I welcome this opportunity to examine in detail our current policies.

On November 3rd of last year President Clinton signed a policy directive which provided a framework for U.S. international drug control efforts. Based on a comprehensive review by the National Security Council, this directive represented a shift away from a policy based largely on an interdiction-based strategy to one which gave more equal weight to the demand reduction tactics of prevention and treatment.

The current drug control policy has also shifted several aspects of the supply interdiction program in an attempt to ensure more flexibility and efficiency. This oversight hearing is an attempt to assess the effectiveness of these newly instituted policies.

The war on drugs continues to be one of this nation's most pressing national priorities. This hearing is an important effort to guarantee the effectiveness of our drug control policy and I thank the Chairman for his attention to it.

Mr. CONYERS. Chairman Rangel, you have been at this business over many years, probably a couple of decades. You have traveled extensively in the source countries; and we could benefit from an overview of how you see our new strategies moving into place, particularly in terms of how we deal with the very difficult issue of interdiction and trying to regionalize the process. Your comments on other strategies that you would want to put on the record are also welcomed.

We welcome you back to our committee. I have been before your committee as well, and was once a Member.

Ben Gilman has just walked in, so if you don't mind, I would ask him to join you at the table. We have his statement and yours. They will be reproduced in full in the record, but why don't you start off? Welcome.

STATEMENT OF HON. CHARLES B. RANGEL, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Mr. RANGEL. Thank you, Mr. Chairman; and certainly, I am glad to have my partner for a couple of decades, Ben Gilman, join with me. We differ on so many political things, but this is one area where we find ourselves working in harmony, day in and day out.

Let me thank Mr. McCandless—someone who has given so much of his life to public service to—for giving this priority. I want to tell you on behalf of the Congress and the American people that I can think of no single issue that is more important than the one before this committee this afternoon.

What really breaks my heart and causes me so much disappointment is to see the time that we can put in discussing when the troops leave Haiti, when or whether we should go into Panama, the question of the General Agreement on Trade and Tariffs, which now stands on the brink of having the Congress come back to deal with this question, and the international focus on the North American Free Trade Agreement. I think our country is trying to say that we are going into an era not fighting Communism, but trying to get an upper hand on the competition that is going to deal with world trade.

And I believe that. We are losing jobs in America. The poor are getting poorer because the low-skilled jobs are gone. Immigrants are coming in; they can no longer do the garment work because we are now going into high tech. How can we compete in high tech against the Asians and the European Common Market with millions of our people in jail, millions scheduled to go to jail, kids being born where 1 out of 4, just because they are male, just because they are black, are going to end up in jail.

And while we determine who gets Most Favored Nation treaties, I don't ever recall, in the 24 years I have been in this Congress, the Congress standing up and saying, America could lose the big one if we don't focus on this.

And the question has to be, in my opinion, if the engine that causes these problems is consumption, are we going to recognize, Mr. McCandless, that the moneys that are involved in narcotic trafficking defy effective, courageous police activities as well as good government?

It defies it. I have been in Colombia. I have been in the Andean country. I have seen dedicated people; they get killed. People come up; they shoot ministers, they shoot judges, they kill Presidential candidates. In the city of New York, we have the finest police you want to see. They walk into apartments, tens of thousands of dollars are there. They take 10,000, they turn in the rest.

I am telling you, it is a way of life, you cannot compete.

We have kids that can't read or write that deal with millions of dollars. They don't even know how to spend it, but if you take a look and see how these kids are willing to go to jail, that is something that we ought to focus on. I am returning to three strikes and you are out, death penalties, mandatory sentences. Do what you have to do politically to get elected, but what is this business about people not being afraid to go to jail? That is what we are talking about, kids not being afraid to go to jails, not being afraid of returning to jail. Hey, this is something different. We ought to take a look at that. I suggest we take a look at something else.

What is this business about kids not being afraid to die? About going to funerals when they are nine, ten, fifteen years old, running around with automatic weapons killing kids they don't know, knowing that these kids will come by and shoot them?

What is this business of girls just making babies like they are dolls, knowing that they are in poverty and that their kids are going to be in poverty? Has God taken away their minds? No. It means that there is nothing to live for. There is no point of marriage and raise a family.

There is no job to lose. There is no family structure, there is no investment to create productive citizens; and any time you can go to jail and get three meals, health care, air-conditioning, adult supervision, and more important than anything else, peer respect, means that we are not investing in the communities. We find that America thinks that they can give up on these kids. And if you give up on a community, if you give up on the kids, what is this business about just saying no?

Just say no to what? What have you got to lose if you have no education, if you have no training, if you have no home, if you have no job, if you have no hope? And if you don't appreciate the pressures, value of life and liberty and removal from incarceration, then all of this business about declaring war and creating a strategy to me, Mr. Chairman, just doesn't make any sense.

But if we did have a strategy, it certainly hasn't raised the level that I think—the level of seriousness that I think that it should.

Who declared the war in the first place? Every President that I have known since I have been in Congress has declared the war, even though, in all due respect to President Clinton, I don't remember any massive declaration on his part. He did say that he would appoint a Secretary, a drug czar, give him Cabinet status, but I don't recall the war. But maybe that is to his credit because that is all I have heard is about a war.

But I have never heard a Secretary of State say that this war is so serious, to the President, that we are going to countries and tell them that we are going to really be actively involved in the reduction of the growth of heroin—of opium, rather—and of coca leaf and marijuana; and even though we have violent people that go

and they serve and they die, when last have we heard from Secretary Warren Christopher? I mean, if we have a war, isn't he supposed to be around someplace talking about what our related policy?

In all due respect to him, I haven't heard any Secretary of State say what is our foreign policy as it relates to Mexico? Are we so anxious to improve our trade relationship that we can't talk about 70 percent of our drugs that come into the United States come through Mexico? Is that offensive to our friends in Mexico?

If 85 percent of heroin and an ever-growing tonnage of it is coming into this—into America, it is coming from Southeast Asia, and we can identify that the overwhelming amount of that is coming out of Burma into Thailand, and that is what comes into the United States and going more and more into Europe. Have we heard anything from our State Department on that?

Would you believe that our Secretary, our drug czar, can't go into Burma? Will you believe, we don't even have a relationship in terms of discussing drugs with them because the State Department says you can't talk drugs unless you talk human rights; you can't talk both at the same time, and so we don't even have an ambassador there.

We are just talking human rights, and the stuff is coming into my neighborhood and people ask, well, what are you doing?

I said, well, we can go to Thailand, but we don't recognize Burma. But we recognize the tons and massive tons of misery and destruction that is going into the poorer communities.

Oh, we have improved the education of those people that have got something to lose; cocaine is dramatically down, crack is dramatically up. As hope goes down, crack goes up.

And so with the war, what I conclude, Mr. Chairman, is that I assume that the Commander in Chief that is in charge—and the Secretary of State has kept a secret as to where he is in this, but they say, well, after all, that is really supply. You really have to deal with demand.

I don't remember hearing from the Secretary of Education on this, to be honest with you. I mean, he is the one that is supposed to be out there explaining to the kids that this is a national—this is a national security—this is how we are going to be competitive. Our kids are not going to want drugs because they are going to learn to do so much with their lives they can't afford the risk of drugs.

Then, of course, they say you have to deal with rehabilitation. All I know is in Detroit, Chicago, Los Angeles, New York, this rehabilitation is a big joke. They reduce the body's need for the drug. They give you self-esteem. They kick you out, and you still can't get a job. You still don't have job training, and you are in the same—70 percent of them return to drugs and return to jails.

And, of course, if we are talking about protecting our borders, forget it, because all the military in the world won't be able to stop drugs from crossing the borders as long as we consume it.

So I say that each administration, they come up with different strategies, they come up with dedicated people, but I don't remember the last time my President has spoken out on this issue as

being an issue that I think makes the difference between whether America succeeds or not.

We have a booming industry in making jails, a booming industry in drug rehab, but I want to see that booming industry where our young people can go to school, come out with training, compete with the Japanese, compete with the European Common Market; and let it be known that the generation that follows is not only going to be drug free, but is going to be protected, productive, effective and be able to raise the quality of life not only for Americans, but people all over. We have a new President. We have a new strategy, but quite frankly, I don't see where we have any new priority.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Rangel follows:]

PREPARED STATEMENT OF CHARLES B. RANGEL, A REPRESENTATIVE IN CONGRESS
FROM THE STATE OF NEW YORK

Good morning, Mr. Chairman. Thank you for allowing me to participate in your subcommittee's examination of America's Drug Control Strategy. I hope this process will serve as a laboratory for the candid examination of this country's drug control policies. The goal in this process is to enable the citizens to prescribe a cure for the insidious scourge of illicit narcotics, rather than endlessly treat the painful symptoms. As Chairman of both the House Caucus on Narcotics and the Speaker's new Narcotics Task Force, I join your efforts.

Last month, The Narcotics Braintrust of the Congressional Black Caucus held a similar hearing with many of the participants who will offer testimony today. Their candid testimony, consisting of the views and suggestions on how narcotics control strategies effect African American communities, only strengthens my belief that narcotics control has virtually disappeared from our collective national psyche. The bitter irony in this observation is that many of the social ills—crime, poor education, inadequate education and jobs—that now demand response from the public are grounded in the continued proliferation of drugs in America.

The responsibility of bringing this crisis to light falls not only on policy makers like you and me, nor the other witnesses before your panel today, but rather on every citizen. Part of focusing our attention is evaluating what efforts we have made on behalf of the constituencies that we represent. As Dr. Lee Brown, said once, "The effectiveness of [a comprehensive national drug strategy] must be seen at the community level, . . . It is in the neighborhoods, towns and households throughout the nation where the fight must be waged." I would add that it is also the place where the battle must be won.

President Clinton and Dr. Brown have repeatedly and correctly pointed out that an effective national drug policy must be a coordinated and comprehensive one. Consequently, the Administration has viewed its drug control policy within the context of this nation's overall domestic, foreign, and economic policy. Indeed, judging by the extent to which the sale and use of narcotics effect the economy of this country—evaluated by leading economists as a \$300 billion drag on this nation's economy each year—the control of narcotics has moved well beyond the point of being a national security concern. It remains a crisis.

Like the President, I also believe that we must address not only the evils of narcotics but also the underlying travesties of hopelessness, poverty, and despair. This strategy has manifested itself in White House-sponsored legislative initiatives such as the National Service Act, The Brady Bill, The Drug-Free Schools Act, The Goals 2000 Act, the Elementary and Secondary Education Act, and Empowerment Zones.

This legislation will make an impact in dealing with our anti-narcotics initiatives. They are indicative of the legislative success found by focusing on this issue and tailoring appropriate legislative responses. To that end, in August of this year, the Speaker of the House of Representatives, Tom Foley, announced the creation of a House Narcotics Task Force to help coordinate drug policy between the White House and Congress. In addition, he asked that I serve as chairman.

However, more must be done to remove drugs and plagues of violence, and poverty that accompanies it. Again, this struggle against drug's proliferation is not be limited to government in general. To be effective in the communities, neighborhoods, and households of America, the mothers, fathers, sons and daughters of these com-

munities must take responsibility to uplift their communities. As their representatives, we in positions of leadership must provide them the necessary tools.

Mr. CONYERS. Thank you very much, Chairman Rangel. You have set a very important tone here. You have given us—and raised a great number of questions that I think we will all be struggling with well into the next Congress. I am glad that you will be back to help marshal the kind of leadership you have given across the decades on this subject which is very, very close to your heart.

I would like now to turn to Representative Ben Gilman of New York, our mutual friend, who has worked with us in a variety of important areas. He is the ranking member on the Foreign Affairs Committee. He has been the ranking member with Congressman Rangel on the Special Narcotics Committee, and this is a subject which he has given a great deal of attention to.

And we welcome you, Ben, for your comments.

STATEMENT OF HON. BENJAMIN A. GILMAN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Mr. GILMAN. Thank you, Mr. Chairman, and ranking member, Mr. McCandless. I want to thank the Subcommittee on Legislation and National Security for conducting this hearing on international narcotics, such an important issue; and I am so pleased to join my leader in this issue, Congressman Rangel. Over the years we have wandered around the world trying to get to the drug-growing countries to convince them to cut back and to try to beef up enforcement, and I hope we have made some dent along the way.

The adverse effects of the narcotics trade are all around us. Crime continues to soar, becomes even more violent. Street crime is ever increased. Health care costs go up as narcotics abuse increases. This reduces employee production, destroyed families and lost generations are just a few of the problems associated with the growing drug problem in our nation.

It has been estimated that anywhere from \$50 to \$100 billion in drugs are on the streets today, not to mention the drug-related costs—the production losses, the violence that is created, the serious deaths in so many cases affecting our young people. The New England Journal of Medicine in July added a new twist to the toll of illicit drugs. They reported that drugs may be equally as dangerous a hazard on our Nation's highways as alcohol, particularly with regard to reckless driving and particularly with the loss of lives out there on our highways.

In New York City, Mayor Guiliani has estimated—and a conservative estimate—that at least 50 percent of the inmates—I have heard figures as much as 70 percent of the jailed inmates are there because of drug-related crime, again, an appalling statistic when we look at the cost of incarcerating criminals today.

The battle against drugs has been waged, in fairness, for many years; but we must not lose our will, when it gets buried with so many other priority items. We must not lose our will to continue that fight. So often we hear, well, it has been a failed tactic, it has been a failed program, and therefore we should look to other areas. But let's look at some of the results.

In 1992, after a decade of struggle, with some good administration initiatives, we found that drug use by teenagers was at its lowest level since the early 1970's, and nearly one-fifth of worldwide cocaine production was being seized by our United States and foreign law enforcement officers, a reduction in cocaine use, from about 5.8 million users in 1985, went down to 1.3 million users, a dramatic, 300 percent reduction.

So we were doing some important things, and we were successful, despite some of the comments that were being made in the press that we had a failed drug war. While we couldn't say that the battle was being won, it was obvious, based upon many of these successful results, that we were beginning to get a handle on a serious threat, a threat to our Nation's security; and we have heard one President after another indicate that this is a national security, as well as a domestic security, problem. The most recent trends, though, Mr. Chairman and Mr. McCandless, are alarming.

Drug use among our young kids in the schools for the first time in 10 years is on the rise once again. Heroin-related hospital admissions are soaring by a startling over-40 percent-increase in the last 6-month period, and the latest household use survey showed the first increase in drug use since the Carter administration.

So it is now clear that the administration has been misguided in deemphasizing interdiction; and while putting greater stress on drug treatment, on treating the hard-core abuser, without a clear and strong antidrug use public message, as my chairman Mr. Rangel indicated, from the White House on down against drug abuse, and it is starting to have adverse consequences across our Nation.

There are really few new tactics in the world in the battle against drugs. I think it is very simple for those of us who have been out there and have had experience in this battle: you must keep the pressure on both the demand side and the supply side, and you have got to do it simultaneously.

You have to—with relation to supply, we have to eradicate the drug crops at their source. We have to interdict narcotics distribution. We have to beef up enforcement at home. In addition, with regard to demand, we have got to provide programs to help our schools out, to educate our young people that drugs are not recreational, that drugs are deadly and that drugs can kill and do kill, and then we have to treat and rehabilitate those who have become victims of abuse.

Demand and supply simultaneously. You can't neglect one for the other, and you can't take the funds out of one and place it in the other.

What do we do? We create a drug czar, and I commend the Congress for doing it, to try to have a coordinated effort. The administration turns around and cuts the funding for that office by over 50 percent.

We have an interdiction program. The administration whittles down that interdiction program, cutting millions out of the interdiction budget.

We have an education program. The administration has cut that down to its bare bones.

We have to concentrate on all of these and not give up one for the other.

Treatment of the hard-core user is not the only answer—in fact, the current administration seems to view the hard-core user population as a static one, and that is not so—and one on which they could focus much of their resources and attention, and hopefully the drug problem would go away.

I reiterate and can't underscore it enough, what we must—what we need is simultaneously to address eradication, interdiction and enforcement on the supply side; education, treatment and rehabilitation on the demand side.

Unlimited supplies of cheap, readily available drugs on the streets will become a reality under the present flawed national drug policy. It can have severe consequences up the road.

Supply and trafficking are going to increase with the cutbacks that we have seen in interdiction; and the recent disastrous withdrawal of aerial trafficking intelligence-sharing that we had with countries like Peru and Colombia. It is abundantly clear to even the casual observer, availability of drugs impacts use and will soon swamp any well-intentioned efforts to focus primarily on treatment of the hard-core user. Indeed, yesterday's casual user becomes tomorrow's hard-core abuser.

Indeed, we need to give special attention to all of these battle fronts. The hard-core drug-using population isn't static, as the administration assumes. It can easily expand manyfold if we don't do the right things and do them now.

We are going to have to help educate those in charge, based upon our long collective experience battling drugs, and I am pleased that you are going to be hearing very shortly from the Assistant Secretary of State for International Narcotics Matters, Secretary Arcos, who concludes, and I was pleased to see that, saying "Probably the most important lesson we have learned in the last 10 years or so of fighting international narcotics trafficking is the effort must be made on a broad front simultaneously." That is an encouraging statement coming from this administration.

"There is no one single magic solution," this statement goes on, "the success of our strategy depends on both the sustained cooperation and efforts of the producer nations and our commitment to supporting them in the areas of targeting kingpins, interdiction, controlling money laundering, seizing assets, judicial reform, alternative development."

Very encouraging statement. I hope that there is more to the words than just a flowery statement. We hope we will see some action attributed to that.

In addition, Mr. Chairman, this past February, a University of Michigan study disclosed increased use of drugs by our youth once again; and one of those researchers said then, "Every generation of American youth is naive about drugs and has to learn the same hard lessons."

I think that applies to each and every administration. Mr. Rangel and I have gone through this time and time again where each administration tries to reinvent the wheel and forgets the basics in this battle.

So I hope, together, we can help educate those youth who may be naive, as well as those in the administration who may be naive

and haven't had the hard lessons of the past with regard to our Nation's battle against narcotics.

Congressman Rangel and I stood in the square of one of the leading Latin American nations Colombia and looked out at the Justice Citadel, a beautiful building at one time, burned out, the core of it burned out where the drug traffickers had come in and taken all of the judges hostage. They had to bring tanks into that battlefield to get into the courthouse to recapture the Justice Citadel of a major city in Latin America, that became a hostage to the drug traffickers.

Let's not let that happen in any other nation and particularly let us not let that happen here in our own nation.

I ask unanimous consent, Mr. Chairman, that my full statement be made part of the record. I also would like to put into the record a message that I was going to deliver this morning in my area where they are having the International Conference on Narcotic Enforcement Officers Association annual convention, and I ask that that be included in the record.

Thank you, Mr. Chairman, for allowing us to be here.

[The prepared statements of Mr. Gilman follow:]

PREPARED STATEMENT OF HON. BENJAMIN A. GILMAN, A REPRESENTATIVE IN
CONGRESS FROM THE STATE OF NEW YORK

Chairman Conyers and Ranking Member McCandless: I am pleased to be here to speak on the international narcotics struggle and I compliment you for scheduling these important hearings.

The adverse effects of the narcotics trade are all around us. Crime, often violent in nature, increased health care costs, reduced employee production, destroyed families, and lost generations, are but a few of the horrors related to illicit drugs.

The New England Journal of Medicine in July, added a new twist to the toll from illicit drugs.

It reported that drugs may be as equally dangerous a hazard on our nation's highways as alcohol; particularly as it relates to reckless driving.

In New York City, Mayor Giuliani recently informed some of us that substantially more than 50% of the prisoners in NY City jails are there because of drugs. We must vigorously fight this scourge on many fronts.

The battle against drugs has been waged in earnest for many years. We must not now lose our will to fight, nor throw in the towel.

Let's look at some of the results from those past struggles. In 1992, after a decade of struggle, we found:

drug use by teenagers was at its lowest level since measurements and surveys began in the 1970s.

nearly 115 of the worldwide cocaine production was being seized by U.S. and foreign law enforcement operations.

reduction in cocaine use, from 5.8 million users in 1985 to 1.3 million users.

A dramatic 300% reduction.

While we couldn't say the battle was won, it was clear, based upon these successful results, that we had a handle on a serious threat to our domestic security.

The most recent trends, however are alarming. Drug use among our young school age kids for the first time in ten years is on the rise. Heroin related hospital admissions soared by a startling 44% in one recent six month period. The latest household use survey showed the first increase in drug use since the Carter Administration.

It is now clear that the Administration's misguided de-emphasis of interdiction, while putting greater stress on drug treatment, without a clear and strong public message from the White House on down against drug use, is starting to have adverse consequences for our nation.

There are really few new tactics in the battle against drugs. It's very simple. Keep the pressure on both the demand side and supply side, simultaneously.

On the supply side, we must eradicate the drug crops at their source. We must interdict the narcotics distribution, and we must beef up on enforcement at home. In addition, we must educate our young people on the dangers of drug abuse, and we must treat and rehabilitate the victims of drug abuse.

Treatment of the hard-core user is not the only answer. In fact, the current Administration seems to view this hardcore user population as a static one, and one which you can focus much of your resources and attention on, through treatment.

I reiterate what we really need simultaneously is eradication, interdiction, and enforcement on the supply side, with education, treatment and rehabilitation on the demand side.

Unlimited supplies of cheap, readily available drugs on the streets, will become a reality under the present Administration's flawed national drug policy, with severe consequences for our nation.

Supply and trafficking will increase from the cut backs we have seen in interdiction efforts. The recent disastrous withdrawal of aerial trafficking intelligence sharing with source countries like Peru and Colombia has made that abundantly clear to even casual observers.

Availability of drugs impacts use, and will soon swamp any well intentioned efforts to focus primarily on treatment of the hard-core user. Indeed, yesterday's casual user, is tomorrow's hard-core user. The hard-core drug user population isn't a static one as the Administration believes; it can easily expand many fold, if we don't do things right, as is the case now.

We must help educate the Administration based upon our long, collective experience battling illicit drugs, both at home and abroad.

This past February, a University of Michigan study disclosed, as I mentioned earlier, increased use of drugs by our youth once again. One of the researchers said then, "Every generation of American youth is naive about drugs and has to learn the same hard lessons."

Let us together help some of our naive youth, and the current Administration as well, to learn the hard lessons of the past, with regard our nation's battle against narcotics to fighting illicit drugs.

We must build on the successful efforts of the past, and together cooperatively wage the struggle against drugs in the future.

I ask unanimous consent that a my statement on the overall international narcotics struggle, which I was to deliver this morning to the International Narcotic Enforcement Officers Association annual convention at Kiamesha Lake, New York be included in the Record.

Thank you.

OPENING STATEMENT OF HON. BENJAMIN A. GILMAN, BEFORE THE INTERNATIONAL NARCOTIC ENFORCEMENT OFFICERS ASSOCIATION, KIAMESHA LAKE, NY

I regret that my Congressional schedule would not allow me to be with you today to speak to the law enforcement officers and executives engaged in the international narcotics struggle.

As a narcotics enforcement officer, your job is not an easy one. Many Americans don't truly appreciate it, nor do they comprehend the severe risks you face in our war on drugs. Witness the recent tragic deaths of 5 courageous DEA agents killed while on an aerial operation in Peru; they are also victims in the battle against illicit drugs.

The adverse affects of the narcotics trade are all around us. Crime, often violent in nature, increased health care costs, reduced employee production, destroyed families, and lost generations, are but a few of the horrors related to drugs.

The New England Journal of Medicine this past July, added a new twist to the toll from illicit drugs. Based upon 1993 Memphis Police data, it reported, that drugs maybe as equal a hazard on our nation's roads as alcohol, particularly as it relates to reckless driving. Over 1/2 the reckless drivers tested in that Memphis police study, who were not intoxicated with alcohol, were found to be intoxicated with other drugs.

The DEA says 1/3 of the violent crime, and 1/2 of all murders in the U.S. are drug related. These problems would be much worse without your courageous, dedicated efforts on the international front against illicit drugs.

Your work is an extremely important international responsibility, with serious domestic consequences. This Member of Congress understands, appreciates, and compliments you on your dedication and your commitment. You are in the front lines of our defense against the scourge of drugs.

Once these illicit drugs reach the streets of our cities, our schools, and our factories, we have in many ways already lost the battle. Your efforts help carry the battle to the producing or transit countries, before this terrible scourge hits our streets, and infects our youth, our cities, factories, and schools.

We in the Congress, and the American people, owe all of you our deep gratitude. You have my full support for your courageous, often unsung, and untiring international narcotics control efforts.

The war against drugs has been waged in earnest for many years. We must not now lose our will to fight, nor throw in the towel. Nothing could be worse than such a surrender for our future generations, and America's overall well being and stability. We cannot, and must not, succumb to the cries for legalization of drugs we hear so often today.

The results of our past battles against drugs to date, speak for themselves, and are very positive. They are there for all to see, if one is willing to take the time and get away from the simplistic sound bytes of "nothing works," that so often dominate this debate over drugs in America.

Let's look at some of those results. In 1992, after a decade of battle against this scourge, what we found on the drug landscape, according to one former Deputy federal drug czar, was the following:

drug use by teenagers was at its lowest level since measurements and surveys began in the 1970s.

monthly cocaine use by Americans aged 12 and up, dropped 78% from its peak in 1985.

aggressive domestic eradication had driven the price of marijuana to more than that of gold, by weight, with use also down dramatically.

In addition, my own research showed, that conservatively speaking, nearly 1/5 of the worldwide cocaine production was being seized by U.S. and foreign operations in the early 1990s.

These annual drug seizure figures are statistics in which this gathering can take enormous pride.

Former Bush DEA Administrator, Rob Bonner, also proudly speaks of a 300% reduction in cocaine users, from 5.8 million users in 1985 to 1.3 million users in 1992 under a tough, no non-sense approach to fighting drugs.

While we couldn't say the battle was won, it was clear, based upon these findings and results from 1992 at least, that we had a handle on a very serious threat to America's domestic tranquility and security.

The most recent trends, however, are alarming. Drug use among our young school age kids for the first time in ten years is on the rise. Heroin related hospital admissions soared by 44% in one recent six month period. Finally, the latest household use survey released by the Department of HHS in July, 1994, showed the first increase in drug use since the Carter Administration. The future doesn't look as bright.

Some of the Washington policy makers think we have to reinvent the wheel, and attack the drug problem from a whole new and different angle. De-emphasis on interdiction, more treatment of the hardcore users, we are now told, is the new conventional wisdom.

Seemingly absent from the battle field in its first year, the Clinton Administration in its second year, now believes it has all the answers. Earlier this year I graded the Administration's efforts with an overall failing grade of "F" on their performance in our war against drugs. I stand by that dismal grade today.

That failing grade followed right after their May 1st disastrous, and unexplainable cut off of our aerial drug trafficking intelligence sharing with Peru and Colombia.

Moreover, interdiction has been cut by \$94 million dollars in the FY95 federal budget, the State Department's critical international narcotics matters budget has been allowed to be cut by over 1/3, while large increases in funds for drug treatment of hardcore users, at best difficult to cure as we all know, have been fostered by the Clinton Administration.

Today, there is a gradual transition from some past, tough, and effective law enforcement policies overseas. Rightfully in the past, we emphasized interdiction as a primary part of our international strategy, particularly in transit zones. The emphasis is now on treatment to the detriment of our overseas interdiction efforts.

In my view, this is a direction we can not afford to go. The recent surveys on increased drug use, make it clear this direction and de-emphasis on interdiction will have serious adverse consequences for America. We cannot diminish the role of drugs in our foreign policy concerns and considerations, without serious consequences.

N.Y. City Mayor Rudy Giuliani in a March, 1994 visit to Washington, said drugs must be a major foreign policy concern and consideration by the Administration. This big city mayor knows what we must do. Mayor Giuliani who was a former federal prosecutor, recognizes first hand the significant social impact of drugs on our

inner cities, and society. He further informed us that 70% of the prisoners in NYC jails are there because of drugs.

Mayor Giuliani also called for the President's leadership to make the reality of drugs a top foreign policy concern for our State Department diplomats. I fully concur in that need today, as much as ever.

For those who have followed this battle, there really are few new tactics in the struggle against drugs. From long, hard, and difficult, as well as costly experience, we know what works. Its simple, keep the pressure on both the demand side and the supply side, simultaneously.

On the demand side, we must eradicate the drug crops at their source. We must interdict the narcotics distribution, and we must beef up our enforcement at home. In addition, we must educate our young people on the dangers of drug abuse, and we must treat and rehabilitate the victims of drug abuse.

De-emphasis of any one anti-narcotics effort to the detriment of the other, is counterproductive and doomed to failure. No one familiar with this struggle believes that the treatment of the hardcore user is the only answer. In fact, the Administration seems to view this hardcore user population as a static one, that you can focus much of your resources and attention on.

I reiterate, what we really need is eradication, interdiction, and enforcement on the supply side, with education, treatment and rehabilitation on the demand side.

Both sides of the equation, supply and demand, require our full effort, attention, and the needed resources to provide a strong and comprehensive battle plan that works.

Unlimited supplies of cheap, readily available drugs on the streets and in our schools, resulting from these cut backs in interdiction efforts and other overseas programs, will have severe consequences.

Availability of drugs impacts use, and will soon swamp any well intentioned efforts to focus primarily on the hardcore user. Indeed, yesterday's casual user, is tomorrow's hardcore user; lest we forget this very simple, basic supply side principle that even non economists, like me, can readily understand.

Together we can, and must, help educate the Administration based upon all of our long, collective experience battling illicit drugs, both at home and abroad.

This past February, the University of Michigan study I referenced earlier, disclosed that once again there is an increased use of drugs by our youth. One of the study's researchers said, "Every generation of American youth is naive about drugs and has to learn the same hard lessons."

Let us together help our naive youth, and the current Administration in Washington as well, to learn the needed lessons of the past with regard to our nation's battle against drugs. Together in that struggle we can, and will prevail.

Thank you.

Mr. CONYERS. Thank you very much, Mr. Gilman and Congressman Rangel, for your opening comments.

Mr. RANGEL. Mr. Chairman, may I just make one statement? It may be embarrassing and awkward, but I think it has to be addressed, especially in view of the fact that my friend, Ben Gilman, recited some statistics to show the improvements that have been made or dramatic reductions in drugs that have been made in certain classes of people in these United States.

And I want to support the data that he has cited, but we must admit that if you are going to take a look at the poorest communities that we have in our country, with the highest number of dropouts, with the highest amount of unemployment, the highest amount of drug abuse and violence and crime, the highest amount of homelessness, of joblessness and hopelessness, the highest amount of teenage pregnancy, the highest amount of AIDS and tuberculosis, you are going to find that they are going to be black and minority communities; and if you were to target all of these things that we are concerned about in terms of reducing crime and reducing violence and reducing drugs, you can talk target those and you will find that they are the poorest, the most hopeless communities we have.

While it may be embarrassing and awkward for a great nation like ours to admit this, it might be helpful at least to know that we can target where this cancer is, and with the proper blend of resources, perhaps we can contain it before it consumes us.

Mr. CONYERS. Well, I want to thank you both for starting us off. We appreciate your comments.

Mr. MCCANDLESS. Mr. Chairman, if I may.

Mr. CONYERS. Yes, Mr. McCandless.

Mr. MCCANDLESS. Charlie, I couldn't agree with you more. What you have said is profound. It reflects the actual onsite problems. However, I would like to give you one more perspective.

Having come to Congress here from a lower level of government where we started methadone treatment and that kind of thing in a county that now has something like 1,700,000 people in it, of which—this is informational only—less than 8 percent are black. Eighty percent—according to the law enforcement officer who has that responsibility, 80 percent of his problems relative to crime originates in some form or another with narcotics.

And in my personal experience in this other level of government, as well as here in this arena, people use narcotics who are employed, who, in many cases, have good jobs, and in some cases who drive 18-wheel trucks, fully loaded—in their mind, not the truck—and take out many other lives.

I share that with you for only a repositioning of the fact that this priority is not limited just to the areas that you have so eloquently described and the problems that they have. It is a nationwide problem irrespective of ethnic background; job, no job; employment, no employment; education, no education.

Mr. CONYERS. I want to thank everybody. I know there are responses that could be made—

Mr. RANGEL. Mr. Chairman, I just want to be very brief.

Mr. CONYERS. How brief?

Mr. RANGEL. Less than a minute, I promise, I assure you.

Statistics may be able to prove that 80 percent of the drugs that is being consumed are being consumed by people who engage in noncriminal behavior, except as relates to the purchase which would dramatically support what you are saying, as relates to being a national problem. But it also would support, if you took a look at those people who are in jails with—50, 60, and 70 percent of them have been in jail as a result of violent crimes and crimes connected with drugs, they would be minorities, they would be the poor people, even though the larger consumption would be in the nonviolent community.

And I thank you for your generosity and kindness.

Mr. GILMAN. Mr. Chairman, if I might just—

Mr. CONYERS. I am all heart today, Charlie, but I cannot give my dear colleagues any more time because the other witnesses have already advised me of time limitations. So I am going to ask my colleagues here and my colleagues there to allow me to bring on Dr. Lee Brown; and we want to thank you again very, very much.

Dr. Lee Brown has been before the committee many times. He started off as a patrolman. He has been a police chief in two cities. He is a professor of criminal law. He has headed up all kinds of

studies. And he is now, in effect, the drug czar for the country, Director of the White House Office of National Drug Control Policy.

We will put your statement in the record, without objection. I ask you to summarize, and we will be able to move the hearing along. Thank you again for coming.

STATEMENT OF LEE P. BROWN, DIRECTOR, OFFICE OF NATIONAL DRUG CONTROL POLICY

Mr. BROWN. Thank you, Mr. Chairman, and members of the committee. I welcome this opportunity to appear before the committee and discuss our cocaine strategy in the Andean region.

I will present to you a very brief statement with the full statement, as you indicated, going into the record.

Let me start by thanking you, Mr. Chairman, and other members of the committee for your work to reauthorize the Office of National Drug Control Policy. I assure you that I intend to exercise the expanded authorities included in the recently enacted crime bill to carry out the objectives of attacking the drug problem in America, and I want to express my sincere thanks and appreciation to Congressman McCandless for your strong support of ONDCP over the years, especially for our work in Latin America, and extend best wishes on your retirement. We appreciate what you have contributed.

I come before you today with both good news and not-so-good news. The good news is that drugs are appearing back on the agenda, at least the agenda of our Congress. Mr. Chairman, this is the third hearing in the past week at which I have testified, and the nationwide debate on the crime bill has helped put counternarcotics back in the public eye where it belongs.

The not-so-good news is the problem is not getting better. Cocaine trafficking has become global in scope. Latin American traffickers have set up sophisticated criminal enterprises to produce, transport, and market cocaine; and now, also heroin. The annual world production of cocaine, some 1,000 metric tons, could fit on one cargo ship and be in our country in a matter of days.

During the first 6 months of 1994, over 150 metric tons of cocaine were seized en route to market, a loss of some \$20 billion to the traffickers.

U.S. counternarcotic efforts have altered the ways drug traffickers move cocaine. These efforts have disrupted routes, increased operating costs, and generated intelligence for other law enforcement operations.

We must not lose sight of the fact that, if unchallenged abroad, trafficking organizations will eventually overwhelm our ability to fight the demand for cocaine at home and thwart our most important foreign policy objectives.

We know that interdiction can be expensive. We know it can be made less effective by increased production and changes in smuggling routes and methods. Therefore, we have shifted some of our interdiction efforts to source countries to hurt the traffickers at a lower cost to our overall budget.

At the beginning of this administration, the National Security Council undertook a comprehensive, multiagency review of the international cocaine challenge and our response. On November 3,

1993, President Clinton issued a Presidential directive stating that illegal narcotics trafficking is a national security threat, equal in importance to advancing democracy, human rights and economic development.

That directive specifies major changes in our approach to cocaine, the cocaine problem. That includes placing greater emphasis on building and strengthening counternarcotic institutions in source and transit countries; intensifying worldwide investigations and operations to destroy the cocaine kingpins; emphasizing efforts to enlist greater international support to fight the drug trade, including support from traditional donors and multilateral groups; and developing a more focused and flexible approach to interdiction. Moreover, we are maintaining flexible interdiction capability in the transit zone to enable us to react to any future changes in trafficking patterns.

Recent General Accounting Office reports to this committee support our decision to shift the emphasis from the transit zone to source countries. This shift is logical because trafficker operations remain most visible and vulnerable in the source countries, especially where coca is cultivated. We particularly want to assist countries that have the political will to fight the drug problem with programs to strengthen judicial systems and law enforcement and to control money laundering and precursor chemicals.

Major source transit in money laundering countries that do not cooperate in counter-cocaine efforts face Presidential decertification and U.S. opposition to financial aid from multinational donor institutions.

Mr. Chairman, let me end by just briefly addressing the major cocaine producing countries and how we see the problem.

Colombia, which produces 80 percent of the world's cocaine, must go after the Cali Cartel; and we should continue to support their efforts. President Fujimori recently approved Peru's first national drug strategy.

Peru recently addressed and successfully prosecuted its top drug kingpin. In response to congressional cuts in State Department funds, we have had to cut alternative development programs and close the Santa Lucia base. However, we are helping Peru seek alternative development assistance from the United Nations and international financial institutions and have moved our helicopters to a Naval base where Peruvians provide the security and logistics support.

In Bolivia, the President has targeted corrupt Supreme Court judges and members of the previous administration. Counternarcotics police operate effectively against traffickers and have literally shut down the growing area in the Chapare to trafficker aircraft.

The issue of sharing intelligence with Peru and Colombia has finally been resolved. The 1994 Defense Authorization Act, signed by the President on Wednesday, enables us to resume intelligence-sharing, and the radar will quickly be turned back on. However, we will not say that the suspension of intelligence-sharing resulted in an increase in the drugs shipped from Peru and Colombia into the United States. We do know that traffickers have responded with

less evasive and less expensive practices that cut costs and reduce their operational risks.

As we plan our national drug control strategy for 1995, our goals and objectives will remain the same because our analysis of the problem has not changed. In an ever-tightening fiscal climate, we must work together to achieve our shared objectives of limiting the drug supply entering our country.

Before I conclude, let me just make one observation in reference to Congressman Gilman's statement, do that for the record, because the administration did not cut the budget. In fact, the President asked for a record \$13.2 billion budget, a billion dollars more than the current year.

We received cuts, but the cuts came not from the administration, but from the Congress—cuts in prevention programs, cuts in treatment programs. The strategy that we put out in February this year is a comprehensive budget and strategy.

Previous strategies did not address the most difficult of the drug problems; that is the hard-core drug user. We find it very logical: if you want to get at the drug problem, you have to do something about the people who are addicted to drugs, and that is the most difficult problem that was not addressed by previous strategies.

Now, Mr. Chairman, that concludes my testimony. I would be pleased to answer any questions you may have at this time.

[The prepared statement of Mr. Brown follows:]

PREPARED STATEMENT OF LEE P. BROWN, DIRECTOR, OFFICE OF NATIONAL DRUG CONTROL POLICY

Thank you, Chairman Conyers and Members of the Committee on Government Operations. I appreciate the opportunity to appear before the Committee, and to discuss our cocaine strategy in the Andean Region.

Cocaine trafficking has become global in scope, touching every country in the Western Hemisphere, and extending into Europe, Africa, Russia and the Middle East.

As you know, Latin American traffickers have set up sophisticated criminal enterprises to produce, transport, and market cocaine (and heroin). Wherever cocaine appears, a nation's sovereignty is intentionally and repeatedly violated by traffickers. In every country the traffickers operate, they undermine democratic institutions, employ violent acts, create a climate where corruption can flourish, and stunt economic growth.

The criminal cocaine business is dynamic. Traffickers continue to experiment with a variety of smuggling routes and methods to evade traditional interdiction tactics such as go-fast boats, low visibility boats, small aircraft, and large commercial aircraft. In some cases they even use submarines. The number of air flights through the transit zone is down but the use of commercial and maritime shipping is up. The processing of finished cocaine is increasing in Peru and Bolivia, and spreading to Brazil and Venezuela. As a result, we see greater diversification of smuggling routes to the East, South, and West of Peru and Bolivia.

The importance of Venezuela and Brazil as potential source and transit countries is growing. Traffickers routinely fly across Brazil to move coca base from Peru and Bolivia to Colombia. Important processing centers have been established both in Southeastern Colombia and along the Bolivia-Brazil border.

Our counternarcotics efforts continue to disrupt the traffickers' smuggling operations. The annual world production of cocaine—some 1000 metric tons—could fit on one cargo ship and reach the U.S. or Europe in a short time. Because of cooperative international interdiction efforts, however, traffickers must make hundreds of clandestine shipments and flights to get their products to market.

As you know, Latin American traffickers have established sophisticated enterprises to produce, transport, and market cocaine and heroin. We are under no illusions about the nature of the cocaine trade, and the vital part our international drug control strategy must play in attacking it.

If we are to be successful in our efforts to reduce the demand for cocaine, we must also be successful in controlling supply into the United States. If trafficking organizations are left unchallenged abroad, they will eventually overwhelm our ability to fight the threat of cocaine at home and thwart our most important foreign policy objectives. During the first six months of 1994, over 150 metric tons of cocaine were seized en route to market, a loss of some \$20 billion in potential profits. (see attached chart)

Worldwide Cocaine Seizures 1991-94

	1991	1992	1993	1994
Consuming	150	140	135	80
Transit	90	75	80	30
South America	110	70	60	40
Total	350	285	275	150*

* Preliminary through 30 June.

At the beginning of this Administration the National Security Council undertook a comprehensive multi-agency review of the international cocaine challenge and our response to it. Tight resources mandated a careful analysis to determine which programs were working and should be maintained, and which required modification.

The NSC review reaffirmed the complex difficulty of attacking the international cocaine problem. We concluded that despite intensification of international cocaine control efforts over the past few years, reliance on our interdiction-based strategy did not adequately address the full range of threats that cocaine trafficking poses to U.S. interests. The review concluded with a recommendation to the President that various international cocaine control approaches be employed more effectively and efficiently. The long term goal must be to lower the availability of cocaine on the streets of our communities.

I have traveled to Mexico, Panama, South America and the Caribbean to examine our bilateral programs. I spoke with the Presidents, and other senior leaders, of these countries about the impact of our combined counter-drug efforts and conveyed President Clinton's intention to continue U.S. support to countries that had the political will to stand up to the cartels. My travels convinced me that the recommendations from our policy review were in fact appropriate, and I so stated that in a subsequent report to the President.

On November 3, 1993, President Clinton issued his Presidential Decision Directive outlining U.S. policies for helping Western Hemisphere partners to control cocaine production and trafficking which clearly states that illegal narcotics trafficking is a national security threat. In source, transit, and money laundering countries, counter-narcotics must be an integral part of our foreign policy, equal in importance to such objectives as advancing democracy, human rights, and economic development.

The Directive specifies major changes of emphasis in our approach to the cocaine problem, including: (1) Placing greater emphasis on building and strengthening counter-narcotics institutions in the source and transit countries; (2) Intensifying worldwide investigations and operations to destroy the cocaine kingpins; (3) Emphasizing efforts to enlist greater international support to fight the drug trade, including support from traditional donors and multilateral groups; and (4) developing a more focused and flexible approach to interdiction.

There is no doubt that interdiction efforts to date have altered the methods by which drug traffickers move cocaine. Interdiction has disrupted routes, increased operating costs, and generated intelligence for other law enforcement operations. At the same time, however, interdiction can be very expensive and its effectiveness has been reduced by increased production, changes in smuggling routes and methods, and the continued high profitability of the trade.

As a result, we have gradually shifted the focus of our interdiction efforts to the source countries. We are convinced that we can cause greater losses to the traffickers in the source countries at a smaller cost to our overall budget. I must point out, however, that the savings generated by shifting our focus to the source countries were reclaimed by Congress, and therefore not available to support the Strategy as the President had intended.

We have not abandoned the transit zones. We continue to maintain a flexible interdiction capability there, one that retains the capability to react to any future changes in trafficking patterns. Traffickers have reduced their exposure and risk by consolidating loads, changing tactics, and maximizing use of large commercial air-

craft, ships, trucks—all of which require better intelligence. To continue to operate unchanged against a threat that no longer prevails would not make sense.

Trafficker operations remain most visible and vulnerable in the source countries, especially in the areas where coca is cultivated, and the intra-regional transportation networks support the various phases of production. Given our limited international program resources, prioritizing in source countries is cost effective.

We get some of our best intelligence in source countries, and the ability of our allies to conduct operations against the traffickers has significantly improved. And, most importantly, we have not shifted resources out of transit zones which cannot be shifted back if trafficker operations were to warrant such a move.

At the end of October, the United States Interdiction Coordinator, Admiral Kramek, and I will host a senior level conference between the counterdrug operational commanders and senior officers in Washington to thoroughly review our operations in the transit zone given the changes in traffickers' tactics and declining funding from Congress.

As you know, recent General Accounting Office reports provided to this Committee (Drug Control—Heavy Investment in Military Surveillance Is Not Paying Off; and Drug Control—Efforts in Central America Have Had Little Impact on the Flow of Drugs) support our decision to shift the emphasis from transit to source countries.

We particularly want to assist countries that have the political will to fight the drug trade. Our specific programs with these countries are aimed at strengthening judicial systems; law enforcement and penal institutions; and control of money laundering and precursor and essential chemicals.

The reverse is also true. There can be no free rides for major source, transit and money laundering countries that do not wish to cooperate in counter-cocaine efforts. Those that do not cooperate face Presidential decertification—and U.S. opposition to financial aid from multinational donor institutions. As demonstrated last spring, this Administration will use the certification process in a meaningful way as intended by Congress.

Eighty percent of the world's cocaine is processed in Colombia, and Colombia is the headquarters of the cartel's global criminal empire. It is in Colombia that the cartels are the most powerful and this is where we must continue to attack them. Colombia must go after the Cali Cartel, and we should support them in doing so.

In reports to this Committee, GAO has identified problems in the end use monitoring of U.S. equipment provided to Colombian counternarcotics forces. I have taken the GAO findings seriously and have insisted that both our embassy and the Colombians address this issue and make end use monitoring a priority concern. The Colombian Ministry of Defense now has established a special office to monitor U.S. counternarcotics equipment and to report annually to our embassy, and the embassy also is monitoring the situation. I believe that this issue is now getting the attention that it deserves.

President Fujimori recently approved Peru's first national drug strategy, an important step to develop a coordinated national counter-drug effort. With Colombian help, Peru recently arrested and successfully prosecuted its top drug kingpin. In response to Congressional cuts in State Department counternarcotics funds, our effort in Peru has been reduced from \$17.5 million in FY 93 to \$8.4 million in FY 94. As a result, we cut alternative development programs, and closed the Santa Lucia Base. We are helping Peru seek alternative development assistance from the United Nations and international financial institutions. We have moved our helicopters from Santa Lucia to a navy base at Pucallpa where security and logistical support is provided by Peruvians.

In Bolivia, President Sanchez de Lozada has targeted corrupt Supreme Court judges and members of the previous Administration. Counternarcotics police operate effectively against traffickers and have literally shut down the growing area in the Chapare to trafficker aircraft.

Bolivia has been less successful in meeting eradication objectives and has halted involuntary eradication due to fierce opposition from the local coca growers. At the same time, almost 60 percent of the cultivated area of the Chapare has been planted with bananas, passion fruit, pepper, and pineapple instead of coca.

We have been working with the National Security Council, the Department of State and other Federal agencies to plan the agenda for the Summit of the Americas in Miami on December 9–10, 1994. Presidents from thirty-four nations will participate in the Summit and discuss strengthening democracy, trade, and sustainable development throughout the hemisphere. We expect the Summit to build upon the work of the Cartagena and San Antonio Drug Summits and implement a hemispheric plan of action to reduce the cultivation, manufacturing, distribution, and use of illegal drugs.

U.S. SOUTHCOM's counter-narcotics activities are under review to ensure that support remains consistent with our National Drug Control Strategy. A counter-drug Conference is scheduled for October 26 at Fort McNair; the review process will be completed by the end of the year.

As you know, we are nearing closure on the issue of sharing intelligence with the governments of Peru and Colombia. Language correcting the problem is included in the 1994 Defense Authorization Act which was signed into law on Wednesday by the President. As a result, the radars will quickly be turned back on and intelligence sharing with Peru and Colombia will resume.

We cannot say conclusively that the suspension of intelligence sharing has resulted in an increase in the drugs shipped from Peru and Colombia. We know that traffickers have responded with less evasive, and less expensive, practices that cut the costs and reduce the risks of their operations.

For example, we have noted traffickers returning to their preferred use of multiple aircraft carrying relatively small loads during daylight hours and using the most direct air routes. We also have evidence that traffickers are much less concerned with the security of loading and fueling operations when aircraft are on the ground.

Congress and the Administration have both seen the need to develop measures of effectiveness for all counterdrug programs. Mr. Chairman, your legislation reauthorizing ONDCP provides for extensive performance measures by which various counter-narcotics programs must be assessed. We are now working with the various agencies to develop criteria to define the impact and the efficiency of both supply and demand-side counternarcotics programs to implement the law.

As we begin to develop the National Drug Control Strategy for the next fiscal year, our goals and objectives will remain the same because our analysis of the problem has not changed. The process of implementing source country programs has been hindered by funding levels below the Administration's request. In an ever tightening fiscal climate we must work together to achieve our shared objective to limit the drug supply entering the United States.

Mr. CONYERS. Thank you, Dr. Brown.

We all know that we could talk with you for hours on this subject. We are not going to be able to today. I am going to ask everyone to observe the 5-minute rule here, and we would ask that you make Carol Bergman or someone else on your staff available for us to continue the discussions with in between our hearings. We will obviously be having more, but we thank you for joining us today.

The chair recognizes the gentleman from California, Mr. McCandless.

Mr. MCCANDLESS. Thank you, Mr. Chairman. I will respect your 5-minute rule.

Mr. Brown, we have gone up the valley and down the hill here in recent times relative to the policy of the United States and how it relates to the Andean strategy. What do you plan, if anything, in the way of changes toward the Andean strategy for the 1995 national drug control program?

Mr. BROWN. As you know, the President, through his directive, outlined a new direction with less of an emphasis on the transit zone and more of an emphasis—indeed, more resources—in the source countries and the transit countries. From my perspective, unfortunately through the budget process, the budget got ahead of policy. By that, I mean there were cutbacks in the funds that would have gone into the source countries. That new direction, placing a greater emphasis in the source countries, should remain our strategy into the future.

Mr. MCCANDLESS. I understand what you are saying, but in the length of time that I have available, you have pointed to the strategy, but how is the strategy going to change in terms of actual implementation of that strategy in the Andean countries? Are we going to increase personnel? Are we going to do this? Are we going

to do that? What does that strategy on the ground actually result in?

Mr. BROWN. It means that we want to go about the business of assisting the countries—Colombia, Peru, Bolivia, and other Latin American countries—in developing the capability to address the problem themselves, providing support, training, technical assistance, dealing with it in terms of what has to be the case, that is, a long-term commitment. That is, what we intend to do is continue our support.

Mr. MCCANDLESS. Now, we have—if it isn't before the President, it will be very shortly—the legislation which addresses the issue that we had with respect to intelligence-sharing with the Andean countries. How long would it take for the U.S. intelligence-sharing program to get up and running again?

Mr. BROWN. In preparation for the legislation being passed by the Congress, which—it now has been passed as a result of an amendment to the Defense Department's appropriation bill and signed by the President Wednesday—we are now prepared to turn those radars on and share that information as soon as we can approve the plans from Colombia and Peru.

As you know, the granting of an exception for the force-down policy requires that the countries do a number of things. One is to submit a plan that would show that they would take the precautions not to force down—or to protect innocent aircrafts. And so, within a matter of days, we should have that finished.

Mr. MCCANDLESS. Thank you.

Thank you, Mr. Chairman.

Mr. CONYERS. Thank you very much.

The Chair recognizes the gentleman from Pennsylvania, Mr. McCandless, for 5 minutes. Mr. Clinger, I am sorry. Excuse me.

Mr. MCCANDLESS. Incidentally, I have been derelict in my duty, Mr. Chairman. I ask unanimous consent that Mr. Clinger's statement be entered into the record, which I should have done earlier.

Mr. CONYERS. Without objection.

Mr. MCCANDLESS. I will be chastised later by the ranking minority member of the full committee.

[The prepared statement of Mr. Clinger follows:]

PREPARED STATEMENT OF HON. WILLIAM F. CLINGER, JR., A REPRESENTATIVE IN CONGRESS FROM THE STATE OF PENNSYLVANIA

Mr. Chairman, almost a year ago to the day, on October 5, 1993, we sat in this room with Drug Czar Lee Brown in order to consider whether to reauthorize the Office of National Drug Control Policy.

As I recall, that hearing was not an optimistic one in terms of the future of the Drug Czar's office. Every member present, from both sides of the aisle, seemed to be in agreement that adequate attention was not being paid to the drug issue by this Administration—attention that is necessary to garner the support needed among agencies and Congress to adequately fund and administer the National Drug Control Strategy.

Since then, with the enactment of new crime legislation, the Drug Control Office received a new lease on life, until October 1997, complete with new budget authorities for the Drug Czar. I am hopeful that these new tools will go a long way in helping Dr. Brown achieve the appropriate funding levels for our anti-narcotics programs.

However, I must voice my continued concern that one of the most critical elements in dealing successfully with both the demand and supply of drugs in this country is lacking. That element is a sustained, loud, and cohesive message that illegal drug use and trafficking is wrong.

Illegal drugs are the root of far too many crimes committed today. According to the Bureau of Justice Statistics, sixty-two percent (62%) of our federal prisoners are currently doing time for drug-related crimes. Clearly, drugs remain a major problem and we have got to do more.

I want to urge all of our witnesses today to do what they can to help this Administration move the drug issue to the front burner.

Thank you, Mr. Chairman.

Mr. CONYERS. Bill Clinger.

Mr. CLINGER. Thank you, Mr. Chairman, Mr. McCandless.

Since, as I understand it, May 1, we did cutoff intelligence sharing, radar tracking information. What has been going on in the interim? Has there been any sharing or has it been a total blackout since that time?

Mr. BROWN. This is an issue which has been lingering, which has not been addressed by other administrations. When the Colombians indicated they were going to use that information to force down airplanes, it became incumbent upon us to address that issue legally. As a result, we have made changes in the way the sharing will take place.

In the meanwhile, that doesn't mean the efforts will stop. The countries were still doing what they needed to do and what they could do without that information. But obviously the information is valuable in terms of their addressing the problem.

We saw some changes in terms of the aircraft being more visible because of the lack of information. We have nothing to suggest that more drugs entered our country as a result of that. It was only a short period of time. But the investigative efforts, absent that sharing of information, continue to take place.

Mr. CLINGER. What other forms of aid were you providing during this interim period?

Mr. BROWN. The same that we provide on a normal basis; that was technical assistance, training, that type of aid was continued.

Mr. CLINGER. So what was lacking was the intelligence?

Mr. BROWN. That is correct. Supplying them with real-time intelligence.

Mr. CLINGER. Given the new authorizations that your office was given through the new crime bill, tell us how you are proposing to implement those.

Mr. BROWN. The new authorizations for my office helps carry out the original intent of the Congress when they created the Office of National Drug Control Policy. It provides my office with the opportunity to ensure that the various departments, agencies involved in the President's national drug control strategy actually do that which is necessary to implement the strategy. It provides more opportunity for me to make an impact at the front end of the system.

Prior to the passage of the crime bill, my office would certify the budgets after the fact, after they have been submitted. Kind of with a blunt instrument, you had hit them on the head after the fact.

But now with the new authorities given to my office, along with the fact that I serve on the Cabinet, we are able to address the problem up front and ensure that the budgets of the various agencies are adequate to carry out the President's national drug control strategy.

In addition to that, we will be monitoring what goes on, I will use the authorities that are given to make sure that we do what is necessary to address the drug problem in this country.

Mr. CLINGER. That was, of course, a concern that we had when you were here before, that you were the czar but you didn't have any enforcement powers, you could jawbone, you could argue persuasively, but you didn't have any real power to do that.

Has that changed in any way? Do you have any additional authority to really knock heads together if there is a disagreement between some of the agencies you deal with?

Mr. BROWN. The reauthorization of my office gives me new authorities, budget authority. For example, I can request an agency to put a program in the budget before it is submitted to OMB and they are required by the law now to do that. It kind of tracks an Executive order issued by the President. It also gives me the authority to move resources and personnel based upon the problems that exist at any given point in time.

Those are very important budgetary tools and will help me do the job. That combined with what I had before, the status of serving on the Cabinet, enables us to do a much better job addressing the problems.

So I intend to certainly work with all the Cabinet members, because the President has made it clear that the issue is not just a problem for my office; it is a problem for the entire Cabinet. And therefore we will work together to construct the national strategy and then put together the budget, and hopefully by that type of effort we could make a difference in addressing the problem of drugs in America.

Mr. CLINGER. My time is up, but let me ask you one more question. Is there anything in this crime bill that directly relates to the Andean policy?

Mr. BROWN. The crime bill is basically dealing with domestic drugs, more so than our international effort. There are additional resources for the Drug Enforcement Administration and the FBI for their efforts, but not directly for our international programs.

Mr. CLINGER. Thank you.

Mr. CONYERS. Well, Dr. Brown, I want to thank you very much.

Mr. MICA. Mr. Chairman, I would like to be recognized for 5 minutes.

Mr. CONYERS. I am sorry. I can't do it.

Mr. MICA. Mr. Chairman, I would like to be recognized. We have never had an opportunity at our full committee to have this gentleman before us. We have never had a fair opportunity to hear about our lack of a national drug control policy. And I think Members deserve at least 5 minutes.

Mr. CONYERS. If the gentleman can control himself long enough to hear the Chair, you are not a member of the subcommittee, and although you have joined us many times before, I have been pleased to have had you here.

Mr. MICA. And we don't have time today to spend 5 minutes for a Member to ask this gentleman who has never appeared, I understand, before our full committee, that we have never had before this Congress, before this committee, my committee on which I

serve, a hearing on this, this matter that is eating at the heart of this country?

Mr. CONYERS. The gentleman is out of order. I am deeply offended by his attitude and I will not recognize him today. I am sorry.

Mr. MICA. Mr. Chairman, I think this is grossly unfair, and I would like to see that my rights as a member of this committee are adhered to. I think this is important, and I think it is important to the American people, that we start talking in this Congress about this disaster that this administration has imposed upon this country. And we have just heard the testimony of this gentleman, which says that this policy is indeed a failure. And I think—

Mr. CONYERS. The subcommittee will stand in recess.

[Recess taken.]

Mr. CONYERS. The subcommittee will come to order.

The Chair is pleased to call the next panel before us, which will include our GAO witnesses, the Drug Enforcement Administration Administrator, the Deputy Assistant Secretary of State, and the Deputy Assistant Secretary of Defense for Drug Enforcement Policy.

Will all of you please join us.

Because of our press for time, we have asked GAO and the administration to all come together.

Mr. Kelley, you are Director-in-Charge, International Affairs Issues of the National Security and International Affairs Division, accompanied by Andreas Ramirez, Assistant Director; Ronald Hughes, evaluator; and Robert Stolba, evaluator.

Could I suggest that we start with you. All of your statements will be included in their entirety in the record. Please summarize. We are in a pretty serious time problem, as you have heard.

Welcome to the committee.

STATEMENT OF JOSEPH E. KELLEY, DIRECTOR IN CHARGE, INTERNATIONAL AFFAIRS ISSUES, NATIONAL SECURITY AND INTERNATIONAL AFFAIRS DIVISION, ACCOMPANIED BY ANDREAS RAMIREZ, ASSISTANT DIRECTOR, INTERNATIONAL AFFAIRS ISSUES AREA; RONALD HUGHES, EVALUATOR; AND ROBERT STOLBA, EVALUATOR, SYSTEMS DEVELOPMENT AND PRODUCTION, U.S. GENERAL ACCOUNTING OFFICE

Mr. KELLEY. Thank you, Mr. Chairman. I will summarize the principal parts of the statement.

I would like to point out that we undertook the work on what is going on in Peru with respect to these programs based on a request from you and Mr. McCandless. We sent you a letter on August 16. Mr. McCandless asked me to take a look at the shutdown policy, and the impact it has had on antidrug operations. So we will be talking about that. Your letter also asked us to comment on any other work we have done with respect to interdiction. I have a statement on that, sir.

Let me get right to the impact point. Mr. Chairman, our view was that the shutdown policy's full impact on the flow of drugs into Peru from Colombia is unclear at this time. This is based on the work we conducted when we were in Peru in June, about a

month after the policy was approved. We have also obtained subsequent data which I will go into here.

Information from United States reports and Peruvian officials state that this policy has had an adverse impact on the ability of the United States and Peru to disrupt traffic activities because of the sharing of real-time information has been suspended and ground-based radar has been shut down in Peru.

However, indicators of drug trafficking activities which could be affected by the policy such as the number of illegal drug flights being detected, the amount of cocaine being shipped from Peru to Colombia are inconclusive. Although indicators between May and June of this year showed a dramatic increase, information over 5-month periods, for the period May through September, showed that these indicators have fluctuated with no clear pattern being established.

Let me say, Mr. Chairman, what seems to be clear, however, is that pilots who are flying between Peru and Colombia have changed their operations since the policy went into effect, with little fear of interception by the United States or Peruvian forces, as long as United States detection equipment was shut down.

Along these same lines, Mr. Chairman, my testimony talks about the various U.S. reports and U.S. officials stating that before the decision was made in May, drug traffickers wanted to minimize their exposure to air interdiction threats. Thus, they used fewer flights with large drug loads, flew mainly in the early evening hours and spent on average 10 to 12 minutes loading and unloading their cargoes.

United States officials in Peru said that since the policy change drug traffickers have changed their operations, have begun multiple flights with smaller drug loads, have begun flying during the day, and some traffickers have doubled their time on the ground.

In addition, United States officials stated that analysis of flight patterns indicates they are reverting to the more direct air routes between Peru and Colombia.

Subsequent to our interim report to you in August, Mr. Chairman, DEA officials have advised us that the policy to not share real-time information has caused them to forego law enforcement operations against illegal drug activities that were occurring. And finally, a recent DOD report states that the policy of not sharing real-time information has reduced the cost and risks associated with drug trafficking activities in Peru.

I would also like to point out that there have been impacts with respect to the efforts the United States has undertaken to improve the capabilities of the police and military to interdict drug trafficking. For example, some essential training actually had to be canceled because it would have directly affected intelligence operations. So that had to be stopped.

Let me say a few words about some of the other work we have done on interdiction. Mr. Chairman, over the last several years, we have issued many reports on the drug business of Latin America, but three particularly deal with interdiction. We issued a report about 2 months ago with respect to the Guatemalan transit zone interdiction efforts that have been operated by DEA since about 1991. I believe that is when they got involved.

DEA actually did a fairly good job in Guatemala, to the extent that the traffickers were forced to change their mode of operation in Guatemala because of airplanes flights detection and monitoring process. Once the traffickers found out what was going on, they improved their capability, and changed to different modes of transportation; shipping the items on the sea or overland.

We also did some work in Mexico, on the northern border response force, which was set up as a project between the United States Government and the Mexican Government to interdict the traffickers who were landing their aircraft along the northern border in Mexico. They had been doing business this way for many years.

This project was intended to set up a mobile basing concept to get traffickers when they landed through the intel operations they set up. They initially had some very successful operations. I think they took down, seized about 6 tons of cocaine.

When the regular operation got going, they initially were very successful, but when the traffickers realized the new techniques the government was using, they moved their operations to central and southern Mexico as well as into Guatemala. Our report points that out—as do both these reports. I think it is clear that we can set up some halfway decent operations, good operations, but the traffickers are very quick to modify how they do business, and set up countermeasures to defeat us.

That is the message we have had in two of these reports. In the other interdiction report, we looked at the DOD operations—land and sea operations in the Pacific and on the Caribbean, where they were spending quite a bit of money to run those operations. Our report indicated we didn't really think they were achieving a whole lot from the standpoint—I believe DOD subsequently in 1994 reduced their budget for the program, steaming hours and flying hours for the program.

So essentially these are a summary of the interdiction-type efforts we have undertaken in the last several years, Mr. Chairman. I would be happy to answer any questions you may have.

[The prepared statement of Mr. Kelley follows:]

PREPARED STATEMENT OF JOSEPH E. KELLEY, DIRECTOR-IN-CHARGE, INTERNATIONAL AFFAIRS ISSUES, NATIONAL SECURITY AND INTERNATIONAL AFFAIRS DIVISION

Mr. Chairman and Members of the Subcommittee: I am pleased to be here today to discuss the results of our review of the impact in Peru of the U.S. decision in May 1994 to stop sharing real-time detection and monitoring information with certain countries that could be used in shooting down civilian aircraft suspected of transporting illegal drugs.¹ In addition, I will have some remarks about our past reviews of drug interdiction.² Our review of various other issues relating to U.S. antidrug efforts in Peru's Upper Huallaga Valley, undertaken at your request, will be completed in the near future.

BACKGROUND

Peru grows over 60 percent of the world's coca crop that is used by the Colombian cartels in the making of cocaine. U.S. officials estimate that almost 90 percent of the drug trafficking activity that takes place between Peru and Colombia occurs by

¹Drug Control in Peru (GAO/NSIAD-94-186R, Aug. 16, 1994).

²Drug Control: Interdiction Efforts in Central America Have Had Little Impact on the Flow of Drugs (GAO/NSIAD-94-233, Aug. 2, 1994); Drug Control: Heavy Investment in Military Surveillance Is Not Paying Off (GAO/NSIAD-93-220, Sept. 1, 1993); and Drug Control: Revised Drug Interdiction Approach Is Needed in Mexico (GAO/NSIAD-93-152, May 10, 1993).

air. These aircraft carry cocaine base from Peru to Colombia for final processing into cocaine and ultimate distribution into the United States and elsewhere.

Peruvian forces in the past have used weapons against aircraft suspected of transporting drugs and in early 1994, Colombia announced that it was planning to implement a policy to shoot down drug traffickers. U.S. government officials became concerned that such a policy would violate international law. According to the Justice Department, U.S. officials who knowingly provide information that leads to the shooting down of civilian aircraft could be subject to criminal prosecution. Subsequently, on May 1, 1994, the Defense Department halted the sharing of real-time aircraft tracking information to Colombia and Peru. Later on May 26, 1994, the Justice Department advised all relevant agencies that assistance programs directly or materially supportive of shootdowns should be suspended pending the completion of a thorough review of the legal questions. In the meantime, the Congress is considering section 1012 of the Fiscal Year 1995 Department of Defense Authorization Act that would provide official immunity for authorized U.S. employees and agents engaged in assisting foreign countries in interdicting aircraft used in illicit drug trafficking.

IMPACT OF SHOOTDOWN POLICY ON DRUG-TRAFFICKING ACTIVITIES

The policy's full impact on the flow of drugs from Peru into Colombia is unclear at this time. Information from U.S. reports and Peruvian officials state that this policy has had an adverse impact on the United States' and Peru's ability to disrupt drug trafficking activities because the sharing of real-time information has been suspended and ground based radar in Peru has been shut down. However, indicators of drug-trafficking activities which could be affected by the policy, such as the number of illegal drug flights being detected and the amount of cocaine base being shipped from Peru to Colombia, are inconclusive. Although the initial comparison of these indicators between May and June showed a dramatic increase in drug-trafficking activity, information over a five month period of May through September 1994 show that these indicators fluctuate with no clear pattern being established.

What seems clear, however, is that pilots flying between Peru and Colombia have changed their operations since there is little fear of interception by U.S. and Peruvian forces as long as detection capabilities remain negligible and there is no sharing of information.

Various U.S. reports and officials have stated that, before the May decision, drug traffickers wanted to minimize their exposure to the air interdiction threat. Thus they (1) used fewer flights with larger drug loads, (2) flew mainly in the early evening hours, and (3) spent on an average only about 10 to 12 minutes in loading and unloading their cargoes. U.S. officials in Peru said that, since the policy change, drug traffickers have changed their operation and (1) have begun multiple flights with smaller drug loads, (2) have begun flying during the day, and (3) some traffickers have doubled their time on the ground. In addition, U.S. officials stated that an analysis of flight patterns indicates that traffickers are reverting to more direct air routes from Peru into Colombia rather than the indirect and more time-consuming routes they were taking before the cutoff of information. Subsequent to our interim report, DEA officials have advised us that the policy to not share real-time information has caused them to forgo law enforcement operations against illegal drug activities that were occurring. Finally, a recent Defense Department report states that the policy of not sharing real-time information has reduced the costs and risks associated with drug trafficking activities in Peru.

OTHER GAO REPORTS ADDRESSING INTERDICTION

Mr. Chairman, you requested that we be prepared to testify on other work we have done on U.S. interdiction initiatives. We have issued two reports on various U.S. interdiction efforts in Central America, and Mexico, and we have also examined the Defense Department's detection and monitoring efforts. In the Central America and Mexico reviews we found that drug traffickers are quick to adapt to law enforcement efforts by changing their routes and modes of operation to elude interdiction. In Guatemala, for example, U.S. antidrug programs that focused on air interdiction were successful in interdicting drug shipments and apprehending drug traffickers. However, within a short time, traffickers changed their methods of operation by using other means of transportation—such as trucks or boats—to elude law enforcement operations. Our review of the Defense Department's detection and monitoring programs concluded that these costly efforts have limited benefits in helping the U.S. government to interdict drug shipments at a level that would begin to make a difference. Mr. Chairman, despite the problems that I have discussed here today,

we believe that some level of interdiction is needed to demonstrate the United States' resolve against illegal drug trafficking activities.

This concludes my testimony. I will be happy to answer any questions you or the Subcommittee may have.

August 16, 1994

The Honorable John Conyers, Jr.

Chairman

The Honorable Alfred A. McCandless

Ranking Minority Member

Legislation and National Security

Subcommittee

Committee on Government Operations

House of Representatives

In response to Mr. McCandless' request, we are providing this interim report on the impact of the recent U.S. decision to discontinue sharing information with the governments of Colombia and Peru that could lead to their shooting down civilian aircraft suspected of being used in drug trafficking activities. Our information on this subject was obtained as a part of our broader review of U.S. counterdrug efforts in Peru, undertaken at the Subcommittee's request. The results of the broader review will be provided later.

According to information provided by U.S. embassy and Peruvian police officials, the policy change has had an adverse impact on the United States' and Peru's ability to disrupt drug trafficking activities. This is because aircraft detection and monitoring and related activities have been suspended. Available data from U.S. government agencies is inconclusive at this time as to the impact the policy change has had on the amount of drugs shipped from Peru. However, U.S. agencies agree that traffickers are now using less evasive practices in moving drugs from Peru to Colombia.

Peruvian forces in the past have used weapons against aircraft suspected of transporting drugs and in early 1994, Colombia announced that it was planning to implement a policy to shoot down drug traffickers. U.S. government officials became concerned that such a policy would violate international law. According to the Department of Justice, U.S. officials who knowingly provide information that leads to the shooting down of civilian aircraft could be subject to criminal prosecution. On May 1, 1994, the Department of Defense halted the sharing of real-time aircraft tracking information to Colombia and Peru and on May 26, 1994, the Department of Justice advised all relevant agencies that assistance programs directly or materially supportive of shootdowns should be suspended pending the completion of thorough review of the legal questions.

According to U.S. embassy officials, civilian aircraft are involved in almost 90 percent of drug-trafficking activities in Peru. These aircraft carry cocaine base from Peru to Colombia for final processing into cocaine and ultimate distribution to the United States. Drug trafficking is a complex process, and the full impact of the policy change on information sharing is not yet clear. Although the U.S. embassy reported a dramatic increase in the number of drug trafficking flights and amounts of cocaine base being shipped during June, it based its conclusion on a comparison of activity during the months May and June. We compared the June figures to the preceding months of March and April and found them to be very close. In July, the numbers reported were actually less than those for June. The reasons for the changes are not known.

Nevertheless, U.S. officials and Peruvian police told us that the decision to stop sharing information has led to changes in how drug traffickers conduct their operations. According to various U.S. reports and officials, before the May decision drug traffickers wanted to minimize their exposure to the air interdiction threat. Thus they (1) used fewer flights with larger drug loads, (2) flew mainly in the early evening hours, and (3) spent on average only about 10 to 12 minutes in loading and unloading their cargoes. Officials in Peru from various U.S. agencies said they had observed that drug traffickers had now begun to change their practice of transporting large drug loads on a few flights to using multiple flights with smaller drug loads. Some drug traffickers are beginning to fly during the day. According to U.S. embassy officials, during June some traffickers had increased their time on the ground to 20 to 25 minutes. In one area, the traffickers' aircraft sometimes remained overnight.

In addition, officials from several U.S. agencies stated that an analysis of flight patterns indicates that traffickers are reverting to more direct air routes from Peru into Colombia rather than the indirect and time-consuming routes they were taking

before the cutoff of information. They attributed the changing patterns to the fact that the deterrent effect that the U.S. radars and Peruvian air force had on the drug traffickers was gone.

According to U.S. officials in Peru, the policy change has also adversely affected the use of U.S. resources that were designed to provide aircraft detection and monitoring information. For example, ground-based radar in Peru has not been able to accomplish its assigned mission since May 1, 1994. Also, certain types of U.S. training and assistance to Peruvian law enforcement agencies and the air force are no longer being provided.

We interviewed and obtained documents from officials at the Departments of State and Defense and the Drug Enforcement Administration in Washington, D.C.; the U.S. Embassy in Lima, Peru; and the U.S. Southern Command in Panama. We also interviewed Peruvian police officials responsible for counternarcotics programs. We discussed the information in the letter with agency officials and included their comments where appropriate.

As you requested, we plan no further distribution of this letter until 30 days after the date of the letter, unless you release the letter or its contents prior to that time. After 30 days, we will send copies of this letter to the Secretaries of Defense and State; the Administrator, Drug Enforcement Administration; and the Director, Office of National Drug Control Policy. We will also provide copies to others upon request.

If you have any questions about this report you may reach me on (202) 512-4128. Major contributors include Andres C. Ramirez, Assistant Director; and Ronald D. Hughes, Evaluator-in-Charge.

Harold J. Johnson, for

Joseph E. Kelly,

Director-in-Charge

International Affairs Issues

Mr. CONYERS. Well, thank you very much.

You have been working on these reports for quite a while, and we will have some questions for you, Mr. Kelley.

I would like now to welcome the Administrator of DEA, the Honorable Thomas Constantine. We welcome you before the committee. This is your first visit, but I know you have been on the job for the last several months, traveling in the country and out, and getting acquainted with your agency.

You might, if you would like, Mr. Constantine, just take a moment to put in the record some of the background and experience that has led you to this position, and I welcome you before the committee.

STATEMENT OF THOMAS A. CONSTANTINE, ADMINISTRATOR, DRUG ENFORCEMENT ADMINISTRATION, U.S. DEPARTMENT OF JUSTICE

Mr. CONSTANTINE. Thank you, Mr. Congressman.

I came into this position with 34 years in law enforcement, 32 of those years with the New York State Police, where I served in virtually every assignment available in that agency and was able, through some good fortune, to go from the rank of trooper through all of the noncommissioned and commissioned ranks, to superintendent of that agency for approximately 8 years.

Most of my background was in the area of organized crime investigations, major case investigations and narcotics. I have been in this position for 6 months.

My reflections on the strategy are complex. I am going to make it as simple as possible for the time period allotted.

In DEA, the focus is as comprehensive as possible. It basically deals with the one group in the Andean countries who is responsible for the consignment of coca as it is grown and then moved

into base and then into cocaine, controlled through the manufacturer, controlled through the smuggling, controlled right into the streets of our cities. That is the so-called Cali cartel.

All of the activities that DEA is involved in, as well as the Andean Governments are ultimately aimed at the operations of the cartel—production, transportation, communications, chemical purchases, and financial operations.

I have to tell you, the Cali organized crime group is a formidable enemy. While they have not yet demonstrated the levels of public violence that the Medellin did, this organization is every bit as ruthless and much more successful in the way they are able to handle the cocaine operation.

It is a combination of opportunity and business know-how that led to the birth of what people call the new kings of cocaine started by Gilberto Rodriguez-Orjuela and Jose Santacruz-Londono in the mid-1970's. This is a very powerful international drug trafficking organization, and in my experience no organized crime group in the world has ever been this powerful and this successful.

It is responsible for 80 to 90 percent of all of the cocaine that is trafficked in the United States and Europe. That is hundreds of tons of cocaine each year that enter the United States with their seal of approval. And they do this with all of the business ability of a Fortune 500 company, with the cunning of the Mafia.

In many ways it is like a large American company. They run it tightly, with a board of directors that oversees all of the details of their worldwide distribution and marketing efforts.

They are not hands-off managers. They control it completely. The cartel bosses in Colombia know where, when and how every single cocaine shipment leaves and where it goes to. The headquarters staff in Colombia is in constant communication with their field managers, known as cell heads, whether in the United States or in Europe, communicating with them several times a day. This is a compartmentalized system that makes it very difficult for law enforcement to infiltrate.

To bring these operations closer to your and my experience within the United States, we are all aware of the seemingly relentless surge of violence and crime that plagues cities across the United States. No community is immune from these ravages.

And I think what we have to understand is that there is a definite connection between what decisions are made by the Cali cartel thousands of miles away, and the decisions our children make as they try to walk home from school safely. That drug fuels the violence here and in Colombia.

In our meetings with the new Colombian Government, a commitment to targeting the Cali cartel has been articulated by their representatives. I met this morning with the Colombian Minister of Defense. That is the second meeting I have had with him.

I have also met with Colombia's justice minister and the prosecutor. They have all expressed a deep concern about the influence of the Cali cartel and what impact it has on their country as well as the United States. They have pledged their support to target this operation.

Something that Congressman McCandless mentioned, should not be lost: The people in Colombia have already made enormous sacrifices in their struggle against the drug lords.

I have indicated to you I have been a police officer for 35 years of my life. The Colombian national police have lost 250 people killed in the line of duty in the drug war since 1991. There have been judges, prosecutors, politicians and innocent citizens who have all lost their lives. As a career officer I know the impact that has on individuals and families.

Plus, the entire society has been ripped apart time and time again as a result of the violence that is the cocaine traffickers' trademark. Despite this, the government, the people, and the Colombian national police especially continue to bravely put their lives on the line day after day and I think are owed a debt of gratitude.

Building upon the central point of the strategy, we are working to expand and support international efforts to target, arrest, convict, and hopefully incarcerate for substantial periods of time the leadership of these narcotics trafficking organizations. To do this effectively, it is essential to begin in Colombia and attack the supporting operation of the cartels in Bolivia and Peru.

In Colombia, since the cartels' command and control, and the whole communications center is located in Cali, we are working with the Colombian Government, particularly the national police, to try to dismantle this cartel's operations the way the Medellin cartel was dismantled. Unfortunately, bringing these drug lords to justice in the United States is no longer an easy option since extradition was outlawed in that country in 1991.

We know the cartel bosses never travel to the United States and rarely travel outside of Colombia so it is unlikely they will be captured in any country where extradition is available.

The incarceration of these drug lords is the primary goal in Colombia, and DEA will continue to work with them providing intelligence, information and evidence leading to a full range of measures available to the Colombian Government.

To give you an idea of what we are doing in Peru and Bolivia, it is important to remember that in order for a cartel to run, they obviously need product. It is essential for them to contract out for these raw materials and transportation close to the source of coca. These organizations support the cocaine base for Peru to Bolivia, convert it to cocaine in clandestine laboratories and then smuggle finished product to the United States.

Most of the cocaine base obtained in Bolivia and Peru for distribution is transported to Colombia usually by twin-engine aircraft. A critical element of the strategy is to try to interfere with their transportation efforts and to adversely affect their efforts to convert cocaine base to cocaine. Hence these operations in Bolivia and Peru are essential.

Peru is the source of two-thirds of the world's coca. The government has recently been responding aggressively to the drug trade using the U.S. assistance available to them. Decrees by President Fujimori have resulted in greater involvement by the Army, which was instrumental in a 6-ton seizure in February.

The Air Force has strongly supported the interdiction mission. As Lee Brown mentioned, in 1994 the Colombian authorities arrested an individual who was the subject of a DEA Peruvian police and military investigation. He was known as "Vaticano" a very important figure in those operations. He was then returned to Peru and has had substantial prison sentences assigned.

We are working with the interagency community to refocus some of our efforts in Peru away from a single base at Santa Lucia in favor of more dispersed operations in four locations. This will extend the range of the helicopter force stationed in the valley in addition to being more cost efficient. In Bolivia there have been a number of successes in the Chapare Valley in which the Bolivian Government, supported by the United States, has substantially reduced the flights out of there.

In closing, for those who wonder whether or not there is a commitment, or to people who say these wars can't be won—with comprehensive strategies, these wars can be won. And people make an awful lot of a commitment. One of the commitments was by five young DEA agents who were killed in the line of duty in late August of this year trying to do what we asked of them, which was to find some of these airports and some of these laboratories.

I had occasion to meet with their families twice. Two of the families asked if this was for real, if the government really supported this effort. I told them that we did. I believe it strongly. We can't forget the sacrifice that they made. If anything, we have to redouble our commitment.

I thank you for the opportunity, Congressman.

[The prepared statement of Mr. Constantine follows:]

PREPARED STATEMENT OF THOMAS A. CONSTANTINE, ADMINISTRATOR, DRUG
ENFORCEMENT ADMINISTRATION

Mr. Chairman, Members of the Subcommittee: I am pleased to appear before you today to discuss the Drug Enforcement Administration's role in the Western Hemisphere Strategy, and to update the subcommittee on the progress we have made to date in working with our Andean partners to address all aspects of the cocaine situation that has brought misery to most nations within our hemisphere.

Let me begin by saying that dismantling the Cali cartel is the main purpose of DEA's efforts in Colombia, Bolivia and Peru. All of the activities DEA and the Andean governments undertake in these nations are ultimately aimed against the operations of the cartel, their production, transportation, communications, chemical and financial operations. To understand our strategy, you have to understand how the cartels operate, who they are, how well they manage their business and what resources they have at their disposal.

The Cali cartel is a formidable enemy. While they have not yet demonstrated the levels of public violence that was the Medellin cartel's trademark, this organization is everybit as ruthless and may, in fact, be far more dangerous because of their cloak of respectability.

The history of the Cali cartel reveals how a combination of opportunity and business know-how combined and led to the birth of "the new kings of cocaine." The cartel is a loose association of five major trafficking organizations which operate out of Cali, Colombia and was founded in the 1970's as a minor criminal gang by Gilberto Santa Cruz Londono.

The cartel is the now the most powerful international drug trafficking organization in history and is responsible for the vast majority of the cocaine trafficked and consumed in the United States and Europe. Hundreds of tons of cocaine each year enter the United States with the seal of approval from the Cali cartel.

The Cali cartel operates with the business acumen of a Fortune 500 company and the cunning of the mafia. In many ways, the Cali cartel is like a large American company with a strong corporate headquarters and many franchises.

They run a tightly controlled empire, with the board of directors overseeing all the details of their worldwide distribution and marketing efforts. They are not "hands-off" managers who allow their field representatives to make business decisions. Instead, they control every element of the business from the amount of cocaine produced to the specific markings they use on cocaine packages found on the streets of the United States. The cartel bosses in Colombia know the where, when, and how of every single cocaine shipment. Decentralization is not a word in their vocabulary.

The headquarters staff in Cali is in constant communication with their field managers, known as cell heads, in the United States, communicating with them several times a day via fax, phones or beepers. Like terrorist organizations, the Cali cartel has developed an intricate system of cells—compartmentalized operating units which are distinct and secret from each other to prevent the damage from occurring to the entire operation should law enforcement successfully penetrate the cell.

Cartel operators are experts in transportation, communications and money laundering, and they have at their disposal vast technical and financial resources. We estimate that just one branch of the cartel—the Herrera organization, has revenues three times DEA's entire annual budget. Incidentally, DEA was able to dismantle some of the Herrera cells operating in New York City in 1991. The Cali cartel's worth is estimated in the billions, putting them right up there with the most successful corporations in the world.

The Cali cartel's Board of Directors are shrewd marketers and suppliers of cocaine to the United States, Europe and other emerging markets. Like any aggressive company, they are building steady customers in places like Washington Heights, South Central Los Angeles, and Moscow, where they lure potential buyers with special brands and products. Crack was their marketing genius's most profitable coup in the mid-1980's; today, they are test-marketing Colombian heroin to ensure their place in the burgeoning heroin market of the next decade.

I want to bring the operations of the cartel closer to home now. We are all aware of the seemingly relentless violence and crime that plague our cities across America. No community is immune from the ravages of drugs and crime; no segment of our society is safe: There is a definite connection between what decisions the Cali cartel makes thousands of miles away, and the decisions our children make as they walk home from school.

The cocaine supplied by the Colombian cartels fuels violence here and in Colombia. Cocaine is widely available in every major city and in many smaller towns across the nation, and the cartels are financially benefitting from every dollar spent by Americans on crack, cocaine and now heroin. Both Colombia and the United States are suffering because of cocaine's influence.

Because dismantling the cartels is DEA's major priority in the Andean region, Colombia is the linchpin in this strategy. In order to achieve any success in this strategy, it is essential that the United States, Colombia and all the other countries in the region recognize that full and complete cooperation is a necessary part of the strategy.

In our meetings with the new Colombian Government, a commitment to targeting the Cali cartel has been articulated by their representatives. I have met with the Colombian Minister of Defense, Fernando Botero, the Colombian Justice Minister Nestor Humberto Martinez and Prosecutor General Alfonso Valdivieso. They all expressed deep concern about the influence of the Cali cartel and pledged their Government's support to target the cartel leaders. I hope that President Samper's new government will be successful in dismantling the cartels and separating them from their assets and the tools of their trade.

I'd like to take a moment to mention here how the Colombian people have made enormous sacrifices in their struggle against the drug lords. Over 250 members of the Colombian National Police have been killed in the line of duty since 1991. As a career law enforcement officer of 35 years, I personally know how devastating it is to lose fellow officers, and I understand how difficult it is to recover from that loss. The American people need to remember that Colombian society and institutions have been ripped apart time and again, a result of the violence that is cocaine's trademark. The Colombian National Police continue to bravely put their lives on the line day after day, and are owed a debt of gratitude. DEA is proud of our association with the Colombian National Police, and we look forward to continuing our partnership with them in the coming months and years.

With Colombia as the pivotal point for the Andean strategy, the U.S. Government has designed and implemented a comprehensive strategy for addressing all elements of the international cocaine trade. A shift was necessary from a strategy heavily dependent upon interdiction to a three-pronged approach which emphasizes assisting

the institutions of nations demonstrating the requisite political will to confront the traffickers.

Within this strategy, DEA is working to expand and support international efforts to target, arrest and convict the leadership of narcotics trafficking organizations. To do this effectively, it is essential to begin in Colombia and attack the supporting operations of the cartels in Bolivia and Peru.

Colombia: Since the cartels command, control and communications center is located in Cali, Colombia, DEA is working with the Colombian Government, particularly the Colombian National Police, to dismantle the cartels' operations. Unfortunately, bringing the Cali drug lords to justice in the United States is no longer a realistic option since the Colombian Government outlawed extradition in 1991. The cartel bosses rarely travel to the United States, and it is unlikely that they will ever be captured outside Colombia.

The serious prosecution and incarceration of the top Colombian drug lords is our primary goal in Colombia. DEA will continue to work with the Government to provide intelligence, information, and evidence which will lead to the full range of judicial measures available to the Colombian Government.

Additionally, we work with the Colombian authorities to disrupt the operations of the cartels and to hurt them by curtailing the supplies necessary for cocaine processing. In March of this year, the Colombian National Police made unannounced raids on a chemical company with branches in eight Colombian cities. The company is affiliated with a Dutch company that claims to be the biggest full-line chemical company in the Western hemisphere. The investigation confirmed that the Colombian firm was selling cocaine essential chemicals to a company whose owner was in prison and whose permit to handle regulated chemicals was revoked. During the raid, over 1,700 metric tons of cocaine essential chemicals were seized. Action has also been taken against a number of other Colombian companies, resulting in significant chemical seizures and the revocation of permits. Colombian authorities have reported that these investigations have resulted in a five-fold increase in the cost of certain chemicals, and a trickle down increase of 25 percent in the cost of a kilogram of cocaine. There is increasing evidence that these measures have begun to disrupt cocaine production. This is an area of operations in which the Colombian Government has clearly taken aggressive and effective action.

The availability of South American heroin in the United States is on the increase. We believe that opium production and heroin manufacturing were conscious marketing decisions made by the Colombian cartels to expand their business opportunities. It poses a potential serious threat, primarily because of the trafficking resources controlled by the Colombian cocaine cartels. As the South American heroin market matures, the cartels may expand their heroin trade by increasing gradually the use of their existing cocaine transportation and distribution networks to smuggle larger amounts of heroin to the United States. Heroin trafficking is appealing to the cartels because the cartels can smuggle smaller quantities of heroin to the United States and achieve profits equivalent to those derived from their cocaine sales.

DEA intelligence suggests that the Cali cartel will become the dominant group involved in trafficking South American heroin. The Cali cartel has better access to the predominant opium poppy growing areas in Colombia. The Cali cartel has displayed a significant involvement in the South American heroin trade from its onset. It appears likely that large-scale involvement of the Cali cartel will make it difficult for smaller, independent trafficking groups with limited resources to compete for market share.

Peru and Bolivia: In order for the Cali cartel to run the world's largest international drug trafficking organization it is essential for them to contract out for raw materials and transportation close the source of coca. Cartel organizations import cocaine base from Peru and Bolivia, convert it into cocaine in clandestine laboratories in Colombia and then smuggle the finished product to the United States for wholesale distribution.

Most of the cocaine base obtained in Bolivia and Peru for final conversion is transported to Colombia by twin engine aircraft. A critical element of the strategy is to interfere with the cartels' transportation efforts, and to adversely effect efforts to convert cocaine base to cocaine. Hence, operations in Bolivia and Peru are essential.

Peru is the source of two-thirds of the world's coca. The Government of Peru has recently been responding aggressively to the drug trade, using the U.S. assistance available to them. Decrees by President Fujimori have resulted in greater involvement by Peru's Army which was instrumental in a six-ton cocaine seizure in February in Manu, near the Brazilian border. Currently, the Army is cratering clandestine airstrips in Peru's Apurimac Valley. The Peruvian Air Force has strongly supported the air interdiction mission by committing its scarce jet interceptors to bases in the Upper Huallaga Valley.

The Peruvians have also indicted and arrested major cocaine traffickers. In January 1994, Colombian authorities arrested the man known as the "Pablo Escobar of Peru"—Demetrio Chavez-Penaherrera—and expelled him to Peru, where he was sentenced to 30 years in jail. Better known as "Vaticano," Chavez had been indicted in Peru in April 1993 after a joint Peruvian National Police/DEA operation that proved his links to the Cali Cartel.

In August, as a part of Peru's chemical control, efforts in the northwest coastal area of Peru, chemical operations directed at licensed cocaine essential chemical handlers resulted in the investigation of 147 chemical handlers, 8 of which were closed, and the seizure of 59.5 metric tons of cocaine essential chemicals.

DEA and the interagency community have jointly agreed to refocus our efforts in Peru away from a single base at Santa Lucia in favor of more dispersed operations in four primary locations in the Upper Huallaga Valley. This will extend the operating radii of the Peruvian/INM helicopter force stationed in the Valley, in addition to being more cost-efficient.

Bolivia is both a major coca and cocaine producer, and the site of a number of entrenched organizations aligned with the Cali cartel. DEA's mission in Bolivia is two-pronged: to support the operation of small, highly-specialized investigative units targeting major traffickers and their key lieutenants, and to support broad-gauged operations aimed at interdicting the flow of cocaine products and precursors.

With support from DEA and other U.S. agencies, specialized units in the Bolivian police have successfully mounted complex investigations into both Colombian-directed and indigenous Bolivian trafficking organizations.

The Bolivian Government's U.S.-supported effort to shut down trafficker flights into Bolivia's Chapare Valley has been an unqualified success. Aircraft are kept out of the valley through the use of actionable, real-time intelligence information, radar overflights, and an innovative vacuum testing program which has resulted in the seizure of aircraft with cocaine residue. In the first eight months of this year, only two flights were confirmed successful, while 12 attempted incursions were thwarted. During 1993, there were 64 successful incursions; 46 additional attempted incursions were prevented.

To enhance this operation, in July the Government of Bolivia launched an operation involving more than 700 full-time Bolivian police, navy and air force personnel. The purpose of this operation is to seal all air, land and riverine routes leading out of the coca-producing Chapare valley for six to nine months. A secondary objective is to restrict the flow of precursor chemicals coming into the Chapare. We are hopeful that this enforcement pressure will depress the prices of coca leaf in this region and thereby make alternative development projects more attractive to some coca growers in the area.

As part of chemical control operations in Bolivia last July, the Bolivian Army detachment from Julo confiscated 6.7 metric tons of chemicals buried near the Bolivian/Chilean Border. Nearly a month later, Bolivian armed forces and police personnel seized nearly 30 metric tons of chemicals in Cochabamba and Oururo.

DEA'S EVOLVING ROLE

DEA's role in Colombia, Peru and Bolivia is chiefly advising those Governments on the most effective ways to target the operations of the Cali cartel. We are currently reviewing our programs in the Andean region to determine the effectiveness of our efforts, particularly Operation Snowcap. Our review will include an assessment of how to transition from an operational to liaison role, keep costs down and minimize the risks to our agents operating in those countries.

I believe that the Andean countries are making progress in both the area of operational capabilities and in institutionalizing their counternarcotics programs. Colombia and Bolivia, in particular, have clearly demonstrated an increase in their national forces' abilities to carry out independent operations with limited DEA support, largely in the area of intelligence and technical assistance. Institution-building, however, is a lengthy process, and while progress is occurring in these countries, I expect that DEA's advisory and support role will be needed for the foreseeable future.

AREAS FOR IMPROVEMENT

While we have seen some positive results of our efforts in the Andean Region, there are some obstacles that we must overcome in order to see continued success. The major obstacle to our work in the Andean region is the lack of appropriate legislation for narcotic trafficking, chemical control and money laundering. Also, the counternarcotics programs of the countries in the Andean Region do not recognize the use of informants, undercover agents, plea bargaining and international con-

trolled deliveries in drug investigations. This, too, is a major drawback to our drug programs in these countries. DEA is continuing to press for changes in the legal system to provide these tools necessary for effective intelligence, case investigations and police enforcement in general. The most significant improvement will occur when the individuals responsible for this trafficking are brought to justice.

CONCLUSION

Mr. Chairman, I have enjoyed the privilege of appearing before the subcommittee this morning. I am optimistic that our international programs will continue to pay benefits. I am realistic about their limitations, and understand the fact that we cannot expect other nations to solve our drug problems for us.

A little over a month ago we lost five brave young agents in a plane crash in Peru. They were working to disrupt the cartels' operations in the remote jungles of that country. Their sacrifice has touched the entire DEA family, and their deaths are a harsh reminder to us that the struggle against drugs is a long, difficult battle. We are in it for the long run, and to their friends and families, I would like to say that no one in DEA will forget that these five agents gave their lives so that children in America can live in a better world.

I'll be happy to answer any questions you might have.

Mr. CONYERS. Thank you very much. It is a good beginning, Mr. Administrator. You have got a huge responsibility on your shoulders now. We want to work with you as closely as we can to make sure we can get as many successes as we can in these tremendous activities that we are involved in.

I would like now to turn to the Principal Deputy Assistant Secretary of the State Department, Bureau of International Narcotics Matters, the Honorable Cresencio S. Arcos.

And we welcome you before the committee this morning. Your complete testimony will be reproduced in the record as will all the other witnesses. Good afternoon.

STATEMENT OF CRESENCIO S. ARCOS, PRINCIPAL DEPUTY ASSISTANT SECRETARY, BUREAU OF INTERNATIONAL NARCOTICS MATTERS, U.S. DEPARTMENT OF STATE

Mr. ARCOS. Thank you, Mr. Chairman.

Mr. Chairman, members of the committee, I appreciate the opportunity to appear before you this afternoon to discuss our counternarcotics policies and programs in the Andean cocaine source countries.

It is certainly my pleasure to be here with Dr. Brown, Administrator Constantine, Mr. Sheridan, and Mr. Kelley. We are working hard to improve our international drug control efforts and alleviate the pressure that international trafficking places on our enforcement and treatment forces at home.

In the 20-plus years we have been fighting the global drug threat, this has always been a formidable challenge. Today is no exception. What we have today, however, is clear guidance from the President on how we are to focus our efforts and use what we all know are increasingly scarce resources. This guidance is the Presidential decision directive and the national drug control strategy which was developed from it.

Issued 11 months ago, PDD-14 builds on what has worked in the past and avoids what has not. It has four key elements.

One, attack at the heart of the cocaine trade by gradually shifting the focus of our efforts from interdiction operations in the transit zone to source countries.

Two, focus on prosecuting the drug kingpins and dismantling their organizations.

Three, strengthen host nation counternarcotics institutions. Simply put, this is essential if other countries are to shoulder more of the international drug control burden.

And four, seek greater international cooperation, particularly in the area of providing sustainable development assistance to drug producing countries. We are trying to find roles for the new donors such as the new financial community and the development banks.

These are the four key elements of the strategy. Bring them all together and what they show is that our policy is aimed at the heart of the trade. We are taking aim at the most difficult but most critical targets.

We know why the cocaine trade is powerful and where it gets its strength: \$45 billion of earnings over the past decade. The leading traffickers have grown immune to virtually all the operations we have thrown against them in the past, except one: the loss of their freedom and wealth. We are not taking the easy way out by refocusing our strategy.

We know our new directions will encounter tough obstacles, even serious political resistance overseas. When we decided to take on the major traffickers, we were taking on people who can exert enormous political pressure and influence. When we ratcheted up the stakes on drug cultivation, through, for instance, more stringent use of the certification process, we touched raw political and economic nerves.

Yet despite these barriers, we have made important strides in the past 11 months that tell us we are on the right track. Allow me to cite some.

There is more attention than ever being focused on the kingpins starting with the Colombian's attack on Medellin cartel. Others are under pressure because of intensifying investigations in Ecuador, Bolivia, Peru, and elsewhere. We are working to ensure that efforts to enhance the judicial sector can keep pace with police efforts.

Crop control is nowhere near what we want. But there has been important movement in the right direction. Colombia has begun, for example, to eradicate coca with herbicides.

Finally, I think we are catching the attention of the international financial community. We have been having productive talks with the World Bank and the Inter-American Development Bank on how they could help support broad counter-narcotics objectives.

Despite these and other achievements, Mr. Chairman, the path toward containing the flow of drugs in the hemisphere remains rocky. For every three steps forward we seem to fall back two steps. Seemingly, our handling of the forcedown issue resulted in our inability at times to share intelligence with Colombia and Peru.

This played into the hands of the traffickers. Our recent difficulty with the Peruvian Government, which we hope to resolve shortly, distracts our focus and temporarily opens the gates for traffickers.

Recent statements by a former United States official in Colombia on the last day of his service in the Federal Government did not serve our interest in finding solutions to problems which plague all countries involved in fighting drug trafficking.

While some call for abandoning our efforts in the face of these temporary setbacks, I strongly disagree. We did not win the cold war overnight, and there were times when it seemed we were dangerously close to losing it. So, too, will this effort be won gradually, and sometimes painfully, as when five DEA agents tragically lost their lives in Peru last August.

In summary, Mr. Chairman, I would say that there is no one single magic solution to this problem. We, the United States, cannot do this alone. Neither can the producer nations wage their battles individually. Just as the traffickers have united in cartels and conduct their business without regard to borders, so must we be united in this purpose and committed to a strategy which includes an international focus.

We welcome your support in this effort. Thank you again, sir.

[The prepared statement of Mr. Arcos follows:]

PREPARED STATEMENT OF CRESENCIO S. ARCOS, DEPUTY ASSISTANT SECRETARY OF
STATE FOR INTERNATIONAL NARCOTICS MATTERS

Mr. Chairman and Members of the Committee: I appreciate the opportunity to appear before the House Legislation and National Security Subcommittee of the Committee on Government Operations to discuss the current status of the Administration's Andean narcotics source country strategy. The President's 1994 National Drug Control Strategy redefined our approach to eliminating the production and flow of narcotics to the United States. The President directed us to review the full range of existing counternarcotics activities abroad with an eye toward concentrating on those efforts that would have the greatest impact over the long term on the narcotics problem. The end result was Presidential Decision Directive 14 (PDD 14), which aims at the heart of the narcotics problem by targeting the major trafficking organizations, institutionalizing counternarcotics efforts in the Andean source countries to ensure a sustained response, and broadening support for eliminating the problem by enlisting the aid of other donors and multinational organizations for source country efforts.

PDD 14 is essential because the production and flow of cocaine and other drugs in the Western Hemisphere continue to pose a national security threat to the domestic and foreign policy interests of the United States. Latin American drug organizations continue to target the U.S. drug market effectively despite facing unprecedented law enforcement pressure. The cocaine organizations account for a major share of the estimated \$50-\$100 billion worth of retail illicit drug sales in the United States each year. Moreover, these organizations are a major threat to democratic institutions in the hemisphere. They rely heavily on corruption to protect their operations and undermine the effectiveness and credibility of key institutions, such as law enforcement, the judiciary, and the military. Failure to remain engaged in international narcotics control programs increases the risks to citizens here at home, and makes it less likely that we will be able to achieve our foreign policy objectives of supporting democracy, economic reform and protection of the environment in narcotics producing countries.

The Presidential Decision Directive is the result of an interagency review of our counternarcotics efforts in the Western Hemisphere. The conclusion that we reached was that many of our counternarcotics efforts were not having enough of an impact on the major trafficking organizations or the cultivation and processing of coca and poppy. Cocaine seizures, no matter how great, were not weakening the major trafficking organizations. Shutting down a major cocaine trafficking route, such as over Guatemala, required a continuous presence which could only buy time to dismantle the problem either here at home or in the source countries. Meanwhile, the traffickers were shifting to other routes where we had dedicated fewer resources.

We also identified a need to speed up the process of handing over counternarcotics policy management to strengthened counternarcotics institutions in the producing countries—a process which will ensure the total engagement of the producing countries over the long term. As for producing a sustained, long-term solution to the narcotics problem, we confronted the reality that law enforcement efforts, particularly in Bolivia and Peru, had to be integrated with a sustainable alternative development program for illicit coca farmers in order to ensure the permanent reduction and eventual elimination of the narcotics threat.

The new policy applies what we have learned. It reflects a shift in emphasis from law enforcement efforts in the transit zones of Central America and the Caribbean to a more focused approach in the narcotics source countries of the Andes. The strategy puts greater emphasis on pursuing the drug trafficker kingpins that coordinate the industry—gathering the intelligence and evidence to destroy their organizations, seizing their illicit gains, and arresting and successfully prosecuting them as individuals. It also recognizes the importance of linking development assistance with counter-narcotics efforts.

In carrying out the strategy, we reconfirmed the need to work closely with the host governments in Colombia, Peru, and Bolivia to strengthen their counternarcotics institutions. This starts with ensuring that good drug control laws are in place, developing coherent and comprehensive drug control strategies and implementing them, and building the judicial, enforcement, educational, and social institutions to implement them.

Since the introduction of PDD-14, we have worked to increase awareness of the need to maintain sustained enforcement efforts against traffickers. We have continued to work with the Government of Colombia to strengthen its judicial system. We have entered into an evidence-sharing memorandum of understanding and have encouraged the GOC to enact laws to control money laundering. We have helped Colombia establish its own capability (with some USG assistance) to eradicate opium poppy and coca cultivations. We have a commitment from President Samper to aggressively pursue members of the Cali cartel. The Samper Administration has introduced legislation which would stiffen sentences for narcotics-related offenses and has promised to introduce legislation to criminalize money laundering. The Prosecutor General announced that cases against key narcotics kingpins will be transferred from the prosecutor's office in Cali to Bogota, to reduce the chance of corrupt influence. Personnel shifts and reorganizations are underway aimed at improving investigative and prosecutorial capabilities.

In Peru, INM provided helicopter support to Peru's coca seedbed eradication effort and provided aerial reconnaissance in search of poppy fields. In July, an executive decree went into force that permits the government to take possession of seized assets sooner, a change we had encouraged the GOP to make in its asset forfeiture law. The DEA has worked closely with the Peruvian police in chemical control initiatives which resulted in the closing of 18 companies which were diverting chemicals for processing coca. Virtually all municipal airports in the Huallaga Valley, and some in other valleys, remain closed to traffickers. Ten major clandestine airstrips remain blocked with cement barriers. Peruvian military and police efforts against trafficking aircraft and airstrips have forced traffickers to fly almost exclusively at night and shift operations to outlying areas. A joint DEA-Peruvian police investigation resulted in the arrest on August 17 of major trafficker Lucio Enrique Tijero Gusman, known as "the engineer." Tijero was sought by the Governments of Mexico, Colombia, Peru, and the United States.

In Bolivia, USG funding supports almost all Bolivian counter-drug operations and maintains its Air Force counter-narcotics airwing. DEA works closely with the police in planning and conducting operations that are synchronized to attack Bolivia's entrenched drug trafficking organizations. Since PDD-14 was signed in November 1993, the Bolivian police have conducted 13 highly successful operations against these Bolivian trafficking organizations, many of which were directed by Colombians. These operations have resulted in asset seizures totalling more than \$15 million. USG agencies continue to provide equipment and training for Bolivian and Peruvian intelligence collection programs.

We have seen cooperation between Andean countries toward the goal of "no safehaven," such as the arrest in Colombia of Peruvian drug trafficker Demetrio Chavez Penaherrera, known as Vaticano. Vaticano was expelled from Colombia and is now serving a long jail sentence in Peru. Cooperation between Brazil and Bolivia aided in the arrest of former Bolivian dictator and drug trafficker Luis Garcia Meza, who was arrested in Brazil.

Despite these achievements and many others, our path toward the goal of containing the flow of drugs in the hemisphere is rocky. The Cali cartel continues to operate in Colombia and elsewhere, and drugs continue to be produced in the source countries. While there are those who say we should abandon our efforts in the face of setbacks, I strongly disagree. We did not win the Cold War overnight and there were times when it seemed we were dangerously close to losing it. So too will this effort be won gradually and sometimes painfully, as when five DEA agents tragically lost their lives in Peru in August.

We must continue to encourage the drug-producing nations to increase counter-narcotics efforts and we cannot do so without a strong, committed, active presence in those countries. In Bolivia, coca eradication remains the key to drug control. Coca

reduction is mandated by Bolivian law and the government has long had a program of subsidized voluntary eradication. In prior years, the program led to the eradication of as much as 7,800 hectares in a year. In addition to the voluntary eradication program, the government began forced eradication this spring, only to stop after protests by coca growers. Now, even the amount of voluntary eradication has been reduced dramatically as the coca federations threaten the farmers who want to eradicate their coca and receive subsidies. As a result, the net cultivation of coca rose in 1993 after steady declines since 1990. In 1993, we estimated that 47,000 hectares of coca were under cultivation. Of that amount, only 486 hectares were eradicated in the first seven months of 1994.

Until recently, the Peruvian government was conducting coca seedbed eradication, eradicating 2,174 hectares of seedbeds from January through July 1994. Prior to this seedbed eradication, Peru had eradicated no coca since 1989, when it eradicated 1,285 hectares. We would like to see these seedbed eradications resume shortly and expand to coca fields. We have seen a strong commitment by the Peruvian government to ensure that opium poppy cultivations are eradicated as they are found and the Peruvian Government has just approved a national drug strategy.

The coca production problem has become so serious in Peru and Bolivia that it cannot be suppressed through enforcement efforts alone. We must combine improved law enforcement with intensified efforts to promote sustainable economic and social development. Programs that help farmers in or near coca-producing areas to produce legitimate crops, and which promote broad-based economic growth, have already led many farmers to participate in voluntary eradication programs. However, such development initiatives must be backed by credible law enforcement measures that provide a disincentive to grow coca.

There have been a number of U.S.-financed bilateral efforts in alternative development in Bolivia, Colombia, and Peru. Agricultural, road and community infrastructure projects in or near the coca-producing areas have helped many farmers to move out of coca into other crops. We recognize that the United States alone cannot provide the budgetary resources to sustain large scale alternative development programs. In line with the strategy, we are encouraging multilateral development banks and other international financial institutions to give higher priority to alternative development assistance, and we are pressing the countries themselves to request such support. We are asking traditional donors, such as the United Nations Drug Control Program (UNDCP), to increase their support and to work closely with the Organization for American States on program planning. We also are encouraging these international organizations to provide much-needed institution-building aid to weak judicial systems.

In Colombia, we expect the government to follow through in its commitment to increase pressure on the drug kingpins. We have been assured that legal provisions on surrender will be strictly interpreted so that traffickers receive prison sentences commensurate with the seriousness of their crimes. We have urged the Colombian government to continue efforts such as the reform of the police code and the military justice system and other efforts which lead to the prosecution of public officials who undermine counternarcotics efforts. We have sought to have Colombia adopt and implement model legislation developed by the Organization of American States and have encouraged greater use of the Colombia-U.S. Financial Information Exchange Agreement.

The Cali cartel is in some ways a more difficult target than Medellin—it is more sophisticated and uses violence more selectively. For example, Cali traffickers have invested heavily in legitimate business enterprises, both to facilitate laundering drug money and to give them entree into business circles. They can present a front of legitimate business to help influence public opinion. There is a very real danger that in Colombia, as well as in some other countries, they will establish an industrial/financial empire that will generate political and economic power.

We will back President Samper in his efforts to support strong action to prevent this from happening, and we will continue to back all those courageous Colombian officials who face pressure from the trafficking organizations. Police targeting of kingpins and their associates, new legislation to control money laundering and allow seizure of assets, and efforts to strengthen the judicial branch are all important indicators of the level of commitment to waging this struggle.

Probably the most important lesson we have learned in the last 10 years or so of fighting international narcotics trafficking is that the effort must be on a broad front simultaneously. There is no one single magic solution. The success of our strategy depends on both the sustained cooperation and efforts of the producer nations and our commitment to supporting them in the areas of targeting kingpins, interdiction, controlling money laundering and seizing assets, judicial reform, and alternative development.

Mr. CONYERS. Thank you very much, Secretary Arcos. We will have some questions for you. And we know your role is very important in developing the diplomatic relationships to fight this scourge that is before us.

I would like now to turn to the Deputy Assistant Secretary of Defense for Drug Enforcement Policy and Support, Mr. Brian Sheridan of the Department of Defense.

Welcome to these hearings.

STATEMENT OF BRIAN SHERIDAN, DEPUTY ASSISTANT SECRETARY OF DEFENSE FOR DRUG ENFORCEMENT POLICY AND SUPPORT, U.S. DEPARTMENT OF DEFENSE

Mr. SHERIDAN. Thank you, Mr. Chairman.

In the interests of time I thought I would make several very brief, quick points, and then stand ready to answer any questions that you have.

First, I would like to say that I am pleased to be here and pleased to appear before the committee.

I would note that the Andean Ridge, is undergoing a time of change. We have a new government in Colombia. There is a new government in Bolivia. But one thing that is a constant is the Department of Defense's role in supporting law enforcement, both in the United States and in those nations, as they combat the drug trafficking problem.

In 1995, the Department of Defense will spend approximately \$150 million down in the source nations. That money will support a wide variety of programs, from training, intelligence collection and analysis, communications support, and of course a significant detection and monitoring program that we run down there.

Several major initiatives for 1995, funding for a tracker aircraft and funding for an over-the-horizon radar in Puerto Rico, will give us unparalleled detection and monitoring capability in just a few short years.

The last thing I would like to say is that DOD is in a support role. We principally view Mr. Constantine as our primary customer, and as the strategy changes and his requirements change, we seek to support him. And we also seek to support those law enforcement entities in South America that are working very hard on this difficult problem.

And that is all I had, Mr. Chairman. Thank you.

[The prepared statement of Mr. Sheridan follows:]

PREPARED STATEMENT OF BRIAN E. SHERIDAN, DEPUTY ASSISTANT SECRETARY OF DEFENSE FOR DRUG ENFORCEMENT POLICY AND SUPPORT

Mr. Chairman and Members of the Subcommittee: I am pleased to have this opportunity to discuss the Defense Department's counterdrug support programs with you today. During the last year DoD has significantly restructured its counterdrug policy to maximize its support of the President's National Drug Control Strategy within existing fiscal guidance. I would like to give you an overview of the new DoD counterdrug policy and programs, among which are activities that support source nation counterdrug efforts in the Andean region.

First, I would like to touch on some of the realities that have been brought home very clearly to me in the year and a half that I have been the Deputy Assistant Secretary of Defense for Drug Enforcement Policy and Support. Foremost among these is the enormity of the drug problem facing our Nation. Although the scourge of drug use has been displaced in the headlines in recent years, it is not hard to see that the issues that have moved to the forefront of public concern—crime and

health care—are integrally connected to the problem of drug use. While we, as a nation, have had some success in past years at decreasing the casual use of drugs, hardcore use continues unabated and, worse still, recent surveys indicate that our young may be increasing their use of drugs. Drug-related crime continues to plague our streets. We all see the tragic effects on the individuals whose lives are destroyed by drug use or drug-related violence, and we all feel the resulting strain on our local communities and our criminal justice and health care systems. The numbers are striking: 2.7 million Americans are chronic hardcore users; 10,000 Americans die because of drugs annually; and, illegal drug use drains our economy of tens of billions of dollars each year.

In addition to the horrors inflicted by drugs in our own country, drug trafficking continues to threaten the integrity of Latin American democracies. Narcotraffickers have repeatedly used violence and corruption to try to undermine the legislatures, judiciaries, militaries, and police in Latin America. In Colombia alone, hundreds of innocent citizens have been killed and thousands injured by the drug cartels. Furthermore, there has been insufficient attention given to the ecological harms inflicted by the cultivation and processing of illegal drugs. Slash and burn farming techniques have been used to increase the production of coca and poppies, and the runoff of large quantities of precursor chemicals used to manufacture cocaine is polluting the environment.

Given the complexity of the issues surrounding drug use, I have become convinced that there is a need for increased dialogue among the Defense Department, Congress, and the American people about the role of DoD in the counterdrug effort. When the Defense Department was enlisted into the counterdrug effort in 1989, many people held out the hope that military involvement was the answer to our Nation's drug problem; the then used term "drug war" misleadingly implied that, with a concerted effort, the military could engage the enemy and bring victory. We must recognize that illicit drug use is a deep-seated social problem which, like the problems of crime and inner-city poverty, will have to be addressed by all Americans over the long-term. As the President's National Drug Control Strategy indicates, the Federal counterdrug effort should involve multiple agencies cooperating to address the drug issue simultaneously on a variety of fronts. The Defense Department, with its unique assets and capabilities, has a critical, but supporting, role to play in that effort. Any assessment of DoD's contribution should be made in this context, and with an eye toward incremental progress.

It is my belief that through effective strategic planning, and increased interface with the Congress and other Federal counterdrug agencies, we can better articulate reasonable expectations for the wide variety of counterdrug programs executed by DoD. Given that cocaine remains widely available in the U.S., it is not realistic to expect Federal drug supply reduction efforts alone to limit significantly the availability of cocaine in the near-term. There are, however, a number of goals that co-ordinated Federal efforts can be expected to achieve, including: disrupting the cocaine cartels; raising the costs of drug trafficking; and denying traffickers their preferred methods and routes, in particular the ability to fly directly into Florida and over the Southwest border. The Defense Department has contributed to significant successes in these areas. In 1993, DoD support activities led directly to the seizure of over 100 metric tons of cocaine that would otherwise have ended up on U.S. streets, and thereby denied traffickers the associated profits.

During the last year I have taken a number of steps to more aggressively manage DoD's counterdrug programs and resources which previously had grown at an explosive rate. As you know, the DoD counterdrug budget rose from \$380 million to \$1.1 billion between Fiscal Years 1989 and 1993. In the summer of 1993, at my suggestion, the Department initiated an internal Comprehensive Review of DoD counterdrug activities that was conducted by a team consisting of representatives of the Office of the Secretary of Defense, the Joint Staff, and the Defense Intelligence Agency. The Review Team evaluated the operational impact and cost-effectiveness of each of DoD's 170 counterdrug projects with respect to National objectives, and recommended \$135 million in cuts to specific programs which were deemed of limited operational impact. When the DoD counterdrug budget was significantly reduced in the FY 94 Appropriation process, rather than allocate the undistributed reductions across the board, we directed cuts based on the findings of the Comprehensive Review. As a result, twenty-four programs that had been found to be of insufficient utility were terminated. The level of funding for numerous other programs was decreased in favor of more cost-effective alternatives, while bringing the Department's activities in line with the priorities of the National Drug Control Strategy. This restructuring, which I will describe in more detail in a moment, was implemented in FY 94 and is still being refined. The Department recommends continuing this strategy and programmatic initiative which was reflected in the FY 95

budget request. As a mechanism for analyzing the results of the restructuring, and in order to ensure that the level of accountability for DoD counterdrug expenditures continues to rise, I have established a working group of experts, with members from relevant divisions under the Office of the Secretary of Defense, the Joint Staff, and the Defense Intelligence Agency, to serve as a quasi-Board of Directors for DoD counterdrug activities. This group will review counterdrug program effectiveness on an ongoing basis, and consider additional policy initiatives. I will now more specifically describe the policy and programs that DoD is implementing.

BACKGROUND

As you are aware, DoD was given a number of counterdrug responsibilities in 1989. Specifically, DoD was: (1) assigned the lead role in the detection and monitoring of the air and maritime transport of illegal drugs; (2) tasked to integrate the command, control, communications, and tactical intelligence counterdrug assets of Federal agencies; and, (3) directed to approve and fund Governor's State Plans for National Guard counterdrug support efforts in each of the 54 states and territories. DoD has effectively executed and continues to execute each of these missions, developing an integrated DoD counterdrug program involving the operational activities of four supported CINCs. These activities have been in support of U.S. and Host Nation law enforcement agencies; DoD personnel have not engaged in direct law enforcement activities such as arrests and seizures.

IMPETUS FOR REFOCUSING DOD COUNTERDRUG POLICY

Despite the combined efforts of DoD and the other Federal agencies with counterdrug responsibilities, the flow of cocaine and other illegal drugs into the U.S. continues to constitute a threat to National security. The Clinton Administration has clearly articulated a multifaceted strategy for addressing the myriad of problems associated with illicit drug use. In both the Interim National Drug Control Strategy and the 1994 National Drug Control Strategy, President Clinton has called for an integrated Federal effort with increased drug education, prevention and treatment, as well as renewed commitment to supply reduction activities. Domestically, supply reduction efforts are to give priority to the High Intensity Drug Trafficking Areas (HIDTA's) and are to be supported by increased funding for community policing. With respect to international supply reduction, the new National Strategy directs a controlled shift in emphasis from the transit zone to the source nations of Colombia, Bolivia, and Peru.

In response to the Presidential direction from the National Strategy, and incorporating the findings of our internal Comprehensive Review, the Department of Defense issued new counterdrug policy guidance in October, 1993. Signed by then Deputy Secretary of Defense William J. Perry, the new guidance refocused DoD counterdrug policy around five strategic elements: (1) support to cocaine source nations; (2) intelligence support targeted toward dismantling cartels; (3) detection and monitoring of the transport of illegal drugs; (4) support to domestic drug law enforcement agencies, emphasizing the Southwest border and other High Intensity Drug Trafficking Areas (HIDTA's); and (5) demand reduction. It is important to note that three of the five strategic elements provide support for U.S. and Host Nation counterdrug efforts in the Andean region. I will discuss the plans and objectives within each of the five strategic elements in a moment.

It should be noted that while cocaine consumption continues to pose the greatest drug problem in the United States, and continues to be the top priority of the National Drug Control Strategy, the increasing supply and purity of heroin in the U.S. warrants increased attention. Colombia's role as a supplier of heroin in the Western Hemisphere is growing, and there are increasing reports of opium cultivation in Peru. DoD is committed to assisting increased law enforcement efforts aimed at heroin kingpins and their organizations. However, in light of the fragmented and complex nature of the heroin industry, any support provided by DoD must be applied judiciously. DoD is currently involved in an interagency process to review and strengthen our international heroin strategy. This review will result in recommendations submitted to the President for approval this year.

NEW DOD COUNTERDRUG POLICY

(1) Source Nation Support

The National Strategy calls for increased support to those nations that demonstrate the political will to combat narcotrafficking. As a result, DoD has focused its supporting efforts in the Andean countries of Colombia, Bolivia, and Peru. Support is aimed at strengthening the democratic institutions in these nations, encour-

aging national resolve and regional cooperation, and further developing air sovereignty and ground-based endgame (effective arrest and prosecution) capabilities with the objective of moving these nations toward self-sustaining counterdrug programs. DoD provides, to the extent feasible and effective, consistent with law, training and operational support to source nation police and military units with counterdrug responsibilities through deployments funded by security assistance or counterdrug funding—primarily by utilizing authority under Section 1004 of the FY 91 National Defense Authorization Act as amended, and Sections 517 and 506(2)(A) of the Foreign Assistance Act of 1961 as amended. All source nation activities are accomplished in cooperation with the Host Nations, and under the auspices of the U.S. State Department. As in the past, DoD personnel are prohibited from engaging in, or accompanying Host Nation forces on, law enforcement operations.

Despite budget cuts in FY 94, the Department has increased its support to source country counterdrug efforts, in keeping with the shift of emphasis called for in the National Strategy. Currently, the Department is providing planning, training, intelligence, operational support, and logistical support to U.S. and Host Nation counterdrug forces.

The Department has expanded an already aggressive training program for Host Nation counterdrug forces in light infantry tactics and riverine patrols. Military Information Support Teams are working in support of U.S. Country Teams and with Host Nation organizations to increase public awareness about the dangers of illegal narcotics. The Department understands the need for vigilant sensitivity to the danger of human rights abuses in the Andean region. For this reason, all DoD training of Host Nation forces includes a human rights component. Furthermore, the Defense Department, in coordination with State Department INM, has established standard operating procedures for end use monitoring of U.S.-supplied equipment. DoD has further strengthened its end use monitoring practices by requiring all Department personnel who deploy to the field to verify the presence and use of U.S. supplied equipment at the unit or site they are visiting.

In the last year U.S. efforts to bolster the political will and the enforcement capabilities of source nations have yielded encouraging results. One of the largest Peruvian drug traffickers, Demitrio Chavez Penaherrera, aka "Vaticano", was arrested in Colombia and expelled to Peru where he was prosecuted for narco trafficking and treason; he is now serving a 30-year sentence. Moreover, the end of the eighteen-month pursuit of Pablo Escobar marked the demise of the once dominant Medellin cartel. Additionally, the government of Bolivia, in joint operations with DEA, dismantled four major cocaine trafficking organizations in 1993. No one is under any illusions that fighting drug traffic in the Andes is less complicated than it has ever been, but we should look to these recent successes as reasons for hope, and for lessons about what types of programs work.

In addition to the DoD programs that directly assist source nation counterdrug efforts, a number of the programs which I'll describe below as part of other strategic elements of the DoD counterdrug policy also support U.S. objectives in the Andean region. DoD counterdrug policy is designed to support the multifaceted approach directed by the National Drug Control Strategy to exert pressure on the drug trade from a variety of angles simultaneously.

(2) Dismantling the Cartels

Among the most cost-effective contributions which DoD can make to cooperative counterdrug efforts is bringing its intelligence capabilities to projects that target trafficking organizations. DoD is enhancing its support of DEA's Kingpin Strategy and the Counterdrug Community's Kingpin Linear Approach which are specifically designed to dismantle the cocaine cartels and the cocaine business. Much of DoD's effort in support of this strategic element is focused on the Andean region. DoD Tactical Analysis Teams, operating in U.S. Embassies, are an invaluable link to U.S. national intelligence, providing timely, releasable information to Country Teams and Host Nations. DoD has also enhanced support to drug law enforcement agencies through the use of Section 1004 authority to provide translator and intelligence analyst services, and by expanding intelligence gathering and sharing programs. Additionally, the FY 95 budget request reflects DoD's funding for the National Drug Intelligence Center (NDIC), which collects and consolidates organizational, strategic intelligence for use by all levels of decisionmakers.

(3) Detection and Monitoring of the Transport of Illegal Drugs

DoD supports domestic law enforcement and host nation detection and monitoring efforts by: (a) emphasizing activities in the cocaine source countries of Colombia, Bolivia, and Peru; (b) streamlining activities in the transit zone (the region between the source countries and the U.S. border region), with detection and monitoring ef-

forts focused toward intelligence-cued operations that directly support the Kingpin Linear Approach and source country and arrival zone operations; and (c) refocusing activities in the U.S. to emphasize the cocaine threat at critical border locations.

In the Andean region, four ground-based radars are operating to assist in detecting suspected narcotrafficking flights between Colombia and Peru. Moreover, E-3 AWACS missions for source country support have been increased by 50%. Meanwhile, plans have continued for construction of a relocatable over-the-horizon radar (ROTHR) in Puerto Rico which will become operational in FY 96, providing improved radar coverage of Colombia, Ecuador, Peru, northern Bolivia, and western Brazil.

The use of more cost-effective technologies (such as ROTHRS and refitted TAGOS Radar Picket ships), in place of some of the more costly ship steaming and flying done in the past, is allowing DoD to maintain a robust and flexible detection and monitoring capability in the transit zone, while expanding operations in the source countries. The ROTHR operating in Chesapeake, Virginia, since early 1993, has provided promising results. The addition of a second ROTHR, scheduled to be operational in FY 96, will render more complete coverage of the transit area.

(4) Direct Support to Domestic Drug Law Enforcement Agencies (DLEAs)—Emphasizing the Southwest Border and other High Intensity Drug Trafficking Areas

DoD continues to directly support domestic DLEAs through: (a) a Detailee program that provides intelligence analysts, translators, and support personnel; (b) a program implementing Section 1004 of the National Defense Authorization Act (NDAA) of Fiscal Years 1990 and 1991, as amended, that provides transportation, maintenance, equipment upgrades and other forms of support; (c) a program implementing Section 1208 of the NDAA that provides excess DoD equipment to Federal, State and local DLEAs through four regional logistical support offices; and (d) the Governors' State Counterdrug Plans that use the National Guard to support DLEAs and drug demand reduction activities. DoD is developing comprehensive prioritization plans for requirements submitted under these programs, emphasizing the importance of efforts at the Southwest border and other High Intensity Drug Trafficking Areas. If allowed by Congress, the Department will increase funding support for the Section 1004 program. In addition, DoD will continue to support Federal counterdrug law enforcement agencies in addressing multi-agency counterdrug command, control, communications, and technical intelligence problems. DoD is also aggressively pursuing a research and development program for cargo container inspection systems.

(5) Demand Reduction

All Military Department and Defense Agency drug testing and education programs are ongoing, with an emphasis placed on increased regionalization, automation, and consolidation of testing. Additionally, DoD is continuing the community outreach demand reduction pilot program directed by the FY 93 Defense Authorization Act. As part of the pilot study, each of the Military Departments and the National Guard are running programs which use military personnel as role models and target at-risk youth. We are currently reviewing these programs, and a report and accompanying recommendations will be sent to Congress this fall.

CONCLUSION

In summary, the Department's restructured counterdrug policy, with its five strategic elements, forms the basis for a focused DoD counterdrug program which is well defined and directly supports the National Drug Control Strategy. It is within this framework that we evaluate the efficacy of each of our many different projects. In the last year DoD has significantly improved program management, and efforts to further enhance program effectiveness and increase accountability are underway. The Administration's budget request for FY 1995 Defense Department counterdrug activities represents 7% of the Federal counterdrug budget. At that funding level DoD will be able to continue to provide meaningful assistance to overburdened Federal, State, and local law enforcement agencies, and crucial support to fragile democracies in Latin America.

There can be no doubt of the harm illicit drugs inflict. While DoD does not have a "silver bullet" that could end the drug problem quickly, it does have unique talents and assets to bring to the interagency counterdrug effort. Internationally, DoD is firmly committed to the initiatives contained in the President's National Drug Control Strategy. The Department is engaged in an aggressive training, operational, and logistical support effort that significantly strengthens the ability of foreign governments, particularly those in the Andean region, to arrest and prosecute drug traffickers. Domestically, the results of DoD counterdrug programs—from providing

excess equipment to State police, to funding National Guard demand reduction programs for at risk youth, to detailing intelligence analysts to Federal agencies to prepare evidence for successful criminal prosecutions—impact communities around the country every day.

Mr. CONYERS. I want to thank you all very much.

Let me begin with our GAO representative, Mr. Kelley. I have a number of documents from our committee, six including today's, that discuss certain efficiencies in terms of our interdiction strategy.

In September 1992, we received GAO findings that included a study that concluded that the Coast Guard spent \$42 million on an EC-130-B project which would have modified a C-130 aircraft, but that they really didn't need it. We found that, among other things, there were a number of difficulties with the interdiction process that just didn't seem to be working.

In May 1992, we had a GAO report that showed U.S. drug intelligence was uncoordinated and unfocused, and we went into some of the overlapping problems with other agencies.

In February 1992, we had a GAO report showing drug interdiction communications systems were plagued by problems sufficient to prevent it from being up and running until the year 2000.

We then come to today's hearing, and we are talking about the modification of the interdiction strategy. I would like to have you discuss that in the light of the GAO reports that we have received over the last 2 years or more.

Mr. KELLEY. I have say that on those technical reports you mentioned, that came out of our intelligence group, so I don't have much to say about them, but I could get some information for the record.

I believe what concerns me, Mr. Chairman, about the shift from the transit-country interdiction to the source-country initiatives, is the point I made earlier with respect to the initiatives that the United States takes. They are all sincere initiatives, and although well-run initiatives in most cases, the drug traffickers can within weeks, can come up with counter programs to thwart these initiatives.

I am not sitting here with an answer to it, but that has been a problem for many, many years. And I guess the DEA, for example, has to deal with that problem, and try to anticipate what they are going to do next. But it is almost an impossible situation, I think, to try to head traffickers off. For example, our work in Colombia, which we issued a report to you, in 1993 indicated that the Colombians had made some good strides based on what they did from the time we looked at it in 1991, in getting their police forces and the military involved, but especially the police forces in going after the drug traffickers.

But what happens is that the aircraft they have can only go so far in their search missions, the drug traffickers just move beyond the range of the aircraft. So there is always this cat and mouse game going on.

So I am sitting here saying to you, I guess, that I am not all that positive that we can say we are going to have an interdiction program that is going to stop the traffickers cold. I don't think that is going to happen.

Mr. CONYERS. We are sure that is not going to happen, because interdiction by its very nature, is a complicated and tricky strategy.

Interdiction is more or less a defensive reaction. When I was in Central America I saw many little coves in which these brand new little planes just happen to be sitting there. I doubted if all of these people just all owned planes for recreational purposes along these shorelines in the countries that we are talking about.

So I understand that. The question, though, is, is our modification of the interdiction strategy one that seems logical, and is it going to help?

Mr. KELLEY. I think I am really not in a position to say. It seems logical because maybe if you could stop it in the source countries, you could slow it down. I guess what I am saying is, I haven't seen much evidence to date that the initiatives we have tried in these countries has slowed down or stopped the flow of the drugs coming into our country.

Now, most of Defense Department's detection and monitoring has been in the Central American area, in transit countries. They haven't had the level of programs in the source countries in interdicting aircraft as they move between Peru and Colombia. But the bottom line seems to be, it hasn't really made that much of a difference.

If we are going to put a lot more money into it perhaps, and try to upgrade the capabilities of especially the Peruvians, maybe there will be some reaction to it. I really can't sit here and tell you that it is going to work. It looks like it is an option we try. But whether it is going to work or not, I can't say.

Mr. CONYERS. May I ask you, Mr. Director, for your impressions?

Mr. CONSTANTINE. I think interdiction as a stand-alone policy is not going to solve our problem. These people, as mentioned, are, one, very wealthy. They have made billions of dollars off of this already. That gives them access to tremendous equipment and technology.

The answer is a comprehensive strategy. In the source country—in Cloumbia, Bolivia, or Peru—we mentioned for cocaine, you have people either in local law enforcement or DEA people who give you information on the flow of narcotics based on a long-term investigation.

That information could either come from an investigation being conducted by DEA or local police in the United States, or an investigation being conducted in Colombia or Peru.

Then when that seizure is made, it is connected to people and part of the system, so those people can be indicted, prosecuted and convicted, so there is a substantial sanction for the behavior.

It is useless to just try to interdict drugs in a general sense. It was my opinion as a police officer—and I felt this way long before they changed the policy in Washington—I could see this as Superintendent of State Police in New York. There was a public belief that it could work, that you could seal this whole country off. That is obviously impossible to do. And it has limited effectiveness.

So we must have interdiction on a specific basis, which means that you have to have the tools available that the Department of Defense gives to us or the host country along with good, hard-working street cops who get the information for you. Then you have

State Department and the other governments working, prosecuting these people so that they pay a price for it. That is about the best you can do in an interdiction type of program.

Mr. CONYERS. Before I go to the Secretary, let me ask Mr. Sheridan to follow on with DEA's observations.

Mr. SHERIDAN. First, I would concur with Administrator Constantine's point about the need for a comprehensive solution to this problem. Putting too much emphasis on any one aspect of the effort is not likely to be successful.

But there are two comments I would make in addition. First, this administration has made a number of changes to try to help work on the coordination problem. There are so many agencies of ours and of foreign governments involved in the interdiction process that coordination has been in the past problematic.

For the first time we have an interdiction coordinator, a single U.S. Government official who is responsible for coordinating the disposition of interdiction assets. And we think that is a major step forward. Admiral Kramek, the Commandant of the Coast Guard, also has that title, and we think that is going to help make us more effective.

Second, I would say we need to understand how difficult the problem is. The Caribbean is about 2 million square miles. Mexico is a very large country. And some of the other Central American countries are quite large.

So you are looking at a vast area you are trying to cover. You are looking at drug traffickers who, when they make a drop, are usually on the ground for about 10 minutes. So in the best case you may have 2 hours or so of lead time.

And you have got to manage to get law enforcement personnel on the ground in that very vast area in a 10-minute window. It is extraordinarily difficult. We have gotten better at it over the years, but by itself I would concur, it is not the answer.

Our job is to try to do it more cost effectively and do it more successfully. And I think we are doing it.

Mr. CONYERS. Do you have a view, Mr. Secretary?

Mr. ARCOS. On this, Mr. Chairman, let me say prior to the job that I hold now, which I took over about a year ago, I was Ambassador to Honduras, and let me say that in the last three or 4 years, when we were looking at—we saw that our interdiction policy was working, so we thought it was working, but nonetheless the flows continued.

We looked at Central America, where I was Ambassador in Honduras, and we had assets in Panama, the second largest presence in Central America and in Honduras, and I think we still do, and we began to retool, refocus those assets toward the counterdrug effort, and we have found that in fact we were being successful interdicting in that Central American corridor, particularly in terms of airspace.

But what was happening, it was still coming in, maritime, land, and what have you. It is like Administrator Constantine says, you know, it has got to be comprehensive. We have got to look at it—the interdiction effort has got to be comprehensive and the whole effort has got to be comprehensive in terms of source, interdiction, and all these issues that are attendant to it such as money laun-

dering, such as chemicals, crop control, et cetera. So all of this, it has got to be addressed.

Mr. CONYERS. Thank you so much.

My time has expired so I am going to recognize the gentleman from California, Mr. McCandless.

Mr. MCCANDLESS. Thank you.

I have a number of questions and I want to ask unanimous consent that the Chairman agree to submission of questions in writing for which we would hope to receive answers within a period of not more than 3 weeks.

Mr. CONYERS. Without objection, so ordered. We notice all the witnesses nodding in assent.

Mr. MCCANDLESS. Second, I would like to acknowledge the presence of Al Fleener over there in the front row. He used to walk around the boondocks with Mr. Wise and I and other members of this committee, with his note pad for GAO. Mr. Kelley, he doesn't have his note pad today. Is there some indication or reason for it?

Mr. KELLEY. He is slipping a little bit.

Mr. MCCANDLESS. Mr. Constantine, I listened very carefully to the statements and to the answers to the chairman's questions, and I keep going back to my almost 12 years on this committee, of which almost all that in one form or another has been involved in this particular subject.

And I keep thinking to myself, every time we come to one of these summits, it reminds me that we are reinventing the wheel, and we found a better hub and sturdier spokes, but then that wheel seems to go off into oblivion, and we go back and reinvent the wheel. And words like "coordinated", "comprehensive", "cooperative" are needed in our programs.

You have essentially three major players in the Andean activity. You have yourself, the DEA; you have the State Department; and you have the Department of Defense.

And many of the problems in the past have existed not because people within these three agencies to work together, but there seemed to be a problem of bureaucracy, where two fellows at a certain level thought a program was a great idea, they sent it upstairs but it never came back, or the people upstairs couldn't get together, so a program that was born in a third area never took birth.

You have been in your position now about a year?

Mr. CONSTANTINE. Six months.

Mr. MCCANDLESS. That is a year, according to our term up here. Are you moving in a positive direction in terms of coordination between the central elements with regard to bureaucracy?

Mr. CONSTANTINE. It is tough for me to comment on what occurred before I got here. As I told people, I came here with an experience in life, in law enforcement, of cooperating with other law enforcement agencies. That was in a State government—the Federal system is obviously more complex.

I don't mean to embarrass Chris or Brian, but since I have been here there has never been an issue that the Department of Defense has not been there to help us. I don't mean just the emergencies when those kids were down and out in Peru, I can't tell you how much the military did for us. But also in everyday types of pro-

grams that people talk with each other and don't seem to me to be conscious of their turf and try to straighten out problems.

And as Ambassador Arcos mentioned, they have been helpful to me in the State Department. This is a new vista for me, dealing with foreign countries.

We certainly hit a bump in the road last week. And on each and every occasion that I looked to find some way to get back on track to make sure we focus on the people who I think are the targets, the bad people running these big operations.

Chris Arcos and Bob Gelbard and their staffs were always willing to help me out. So again, I just can't give you examples of problems, you have had much more experience, Mr. Congressman, and you have seen things over 12 years. I can only give you my experience over the last 6 months, which has been very positive.

Mr. MCCANDLESS. Thank you.

Ambassador or Mr. Sheridan, would you like to add to that?

Mr. ARCOS. Let me just say, since last fall when I came on board, Mr. Congressman, Bob Gelbard, my Assistant Secretary, was named the chairman of the interagency working group dealing with international narcotics, and I am the one who presides over the forum basically on a day-to-day basis on the interagency working group.

And I have to tell you that in spite of some of the glitches we have had over the last 9, 10 months, in terms of different countries, particularly Colombia, Peru, that we have been able to, I think, come to a much more, shall we say, coordinated effort on this issue, because we have—especially now that we have less resources to deal with, we have less resources in the field, and we are in these declining resources, and we are trying to be much more persuasive and engage these countries diplomatically on how they need to take on responsibility in combating the drug trade.

And I think we have done marvels, quite frankly, as opposed to what I thought was going to happen in terms of the interagency legendary Washington turf battle. So it has been positive, but the struggle is far from won in terms of what we have been trying to obtain here.

Mr. MCCANDLESS. The system is fortunate to have Assistant Secretary Gelbard in that position, because at one time he was a real goer as Ambassador to Bolivia, and not much would stand in his way in terms of diplomacy if he thought he was right, which was a refreshing experience in the time I spent with him.

Mr. Sheridan, do you have a comment?

Mr. SHERIDAN. No, I don't.

Mr. MCCANDLESS. The other question I have deals with the current Andean plan, as we outlined it, and what is going to happen for 1995. To capsule, our primary mission over the years in those areas has been to teach, to instruct, to oversee, whether it is the advance helicopter, whether it is eradication, whether it is this, whether it is that. And if I understood Mr. Brown, it is in the 1995 proposal to increase these activities beyond what I understood to be the amounts in which we have done this before.

I am talking now about a proposed strategy. Mr. Constantine, what is your understanding of the proposed 1995 strategy as it relates to the Andean countries?

Mr. CONSTANTINE. Well, as I mentioned, I have looked at it and I went through all of the reports just before I came here and since I have been here. This is not like rocket science.

There are models for how this has been handled before. I think if we attack the group that is controlling drug trafficking, much like you attack organized crime in this country, we can have similar successes to those we've had over the last 30 years. I have enough time in this business to remember when people said that you couldn't do anything about organized crime, that it controlled all of the United States, but as I recall, it was Bobby Kennedy who really kind of lit everybody up on the issue of organized crime and the danger it had.

So for DEA, the key strategy is going after this cartel, their principals, their operators, their money, and to do that requires that we are going to have to use the technology from the Department of Defense and this equipment. From time to time, I am going to need Bob Gelbard and Chris Arcos to make sure we influence opinion and to make sure we do everything we can to bring these people to justice.

That, I think, is the most productive use of DEA's time and strategy. When it happened in this country, we have been able to take those organized crime families apart. They are much less than they once were.

When DEA was able to work in Colombia in the Medellin cartel and people were indicted, arrested and convicted, that whole structure imploded upon itself, as these organizations are wont to do when they are brought to justice and that type of pressure is brought upon them.

That is as I see the strategy, Congressman.

Mr. MCCANDLESS. I have got a loaded one for you. Joseph Toft was the supervising agent of the DEA in Colombia for something like 8 years.

Mr. CONSTANTINE. Six, six and a half.

Mr. MCCANDLESS. Six and a half. And as I understand it, he was a very dedicated professional employee of the Federal Government. But in the process of leaving, he told it as he considered it, which was not necessarily the best thing in the world for the State Department. One of the things that he discussed in his departure was the fact that the Cali cartel assisted law enforcement by providing them with all kinds of information that was relevant and very accurate on the operations of the Medellin cartel, which ultimately resulted in what we were able to do with the Escobar group. Toft then indicated that as a result of that, officials who were able to use this information to achieve that objective within the framework of the Colombian system have not disassociated themselves from the Cali cartel. Allegedly, they are now somewhat indebted to the Cali in one form or another, and depending upon their own individual likes or dislikes have associated themselves directly or indirectly with what it is that you are talking about that is the next step.

Do you have any response to that?

Mr. CONSTANTINE. Well, I think you hit part of it right on the head, that Joe Toft was a 30-year employee with DEA. I had met him two or three times, had some conversations with him. We

shared both of our feelings, I think, about the Cali cartel and the very dangerous organized crime structure in Columbia.

What I disagree with is two things. One is that his statements when he made them, and it was a shock not only to the people who had worked under him at DEA who were very disappointed in what he said, the Colombian National Police, which he had held a close relationship with have been extremely hurt by his comments, and I think the brush was far too broad that he painted the government and the people with.

That is a country that has lost a total of 2,500 or 2,600 people in the drug war. That substantially exceeds anything that we have lost in this country. There is a whole host of valiant and honest people in that country who take chances, I wonder if any citizen in every country in the world would take.

We have a new government to deal with. They have been there 2 or 3 months at the most. I think they have to be afforded the opportunity to demonstrate that they are willing to do all of the things that they have indicated they will and be given the proper support to be able to do those things.

I was disappointed in how Joe handled it. I think when you are part of an agency in enforcement, there is ample opportunity to say those things when you are still part of an agency so that they can be addressed more directly. I also think that the idea that there is a group of people in that country who are organized and extremely violent is true. I endorse that 100 percent.

I would be willing to give sacrifice, a lot of my own, or risk my own life to be able to remedy that. But I think it has to be put in the total perspective and that was pretty much my reflections on Joe's comments. He had been a decent employee and it was really kind of a shock. It could have been his frustration with all the violence, both here and in Colombia. I am just not sure what.

Mr. McCANDLESS. Mr. Sheridan, very quickly, the chairman has been very gracious with his time. In a series of events, the Commandant of the Marine Corps a few years back got acquainted with his equivalent of the Commandant of the Marine Corps in Colombia, a 6,000 member organization, and out of that came a relationship that developed into an instructional mode for the Colombian Marine Corps in riverine activities. They were able to do an awful lot of things, but one of the problems they had was the availability of equipment for the Magdalena, which is a rather large river, and its six tributaries. I might add that hundreds of thousands of gallons of precursor chemicals had been transported from the coast inland for the purpose of illegal lab activities where cocaine base was made into final product. Ambassador McNamara was in town, and we started talking to people about some surplus U.S. Coast Guard boats that would be equivalent to a river boat. How have we progressed with that? I have lost the thread on that, which to me was very important. You can't make the final product if you haven't got the chemicals to do so.

Mr. SHERIDAN. Yes, we have made progress on that. There are now a number of riverine units in operation in Colombia. They use a Boston Whaler, large Boston Whaler.

Mr. McCANDLESS. That is what it was, yes.

Mr. SHERIDAN. Yes. The Department of Defense provides a significant amount of the training for those. In 1995, we have budgeted \$5 million to train the riverine forces.

We helped them locate excess equipment, and I had the pleasure—actually it was about a year ago, of going out with a run of the riverine units in San Jose del Guaviare and having a boat ride, and it has been a very effective program and has allowed them to begin to get control over their river systems, which, as you rightfully point out, is the major method by which precursor chemicals are moved around Colombia.

So if they can get a handle on the rivers, we can make final production of cocaine more difficult. It is a very good program and we continue to fund it and support it.

Mr. McCANDLESS. All right, very quickly, Trinidad and the rivers of northern Bolivia have a similar activity. Are we progressing there? We retrogressed quite a bit at one time. Are we progressing there?

Mr. SHERIDAN. I will have to get back to you on that. I have been to Bolivia, but I have not seen riverine units. Perhaps Chris.

Mr. ARCOS. I would have to get back to you on that also, sir.

[The information referred to follows:]

We have made good progress in the Bolivian riverine program. One of the USG's goals in Bolivia is to build within the Bolivian government the institutional capability to control drugs. We are just now reaching our objective of developing within the Bolivian Navy the capability of training its personnel to conduct and sustain waterways drug control operations. We helped the Bolivian Navy create its Waterways Task Force School in Trinidad, which opened in June 1993. The school trains students in boat operations, boat maintenance, law enforcement, human rights, Bolivian law, and ground tactics. When first opened the school utilized U.S. Coast Guard and U.S. Navy instructors, but as of January 1995 all courses will be taught by Bolivian Navy personnel.

The Bolivian Navy Counternarcotics Special Task Force, known as the Blue Devils, is composed of 136 officers and enlisted and has 23 small river patrol boats, and five "motherships." The force is divided into four operational task groups, located at bases in Trinidad, Puerto Villarroel, Riberalta, and Guayaramerin. The mission of the Blue Devils is to transport and provide logistical support to Bolivian Rural Police (known as UMOPAR) in patrolling the Bolivian river systems and intercepting, boarding, and searching suspect boats.

Mr. McCANDLESS. Thank you, Mr. Chairman, very much.

Mr. CONYERS. Thank you very much. And I want to say to Al McCandless, for whom this is his last subcommittee hearing, we are indebted to him for having followed this up. This has been a very special project.

He has traveled, as you can tell, in the region extensively over the last dozen years. We wish him well in his future endeavors, and I want to say to all of you that this is merely the beginning. If it hadn't been for him, there wouldn't have been any hearing today.

We are working under, as you recognize, a very tight schedule, but there will be more hearings coming and we would like you to keep in contact with the members of the subcommittee, and we will of course be in contact with you. I thank you all very much for your cooperation and participation, and I will yield to Mr. McCandless for the last time.

Mr. McCANDLESS. Mr. Constantine, if you happen to come in contact with the families of the five that perished on the 27th of August, if you would convey some kind of a thought, best in your

words, that those of us in Congress are aware of the hardships and of the sacrifices that are made by the people in the DEA organization, and that we also suffer from the loss of these people, certainly not as the families have, but their loss does not go unnoticed.

Mr. CONSTANTINE. Thank you, Congressman.

Mr. CONYERS. Well said on behalf of the whole committee. The subcommittee is adjourned.

[NOTE.—To reduce publication costs, the subcommittee has omitted from the record a letter dated August 16, 1994, from Joseph E. Kelley, Director in Charge, International Affairs Issues, U.S. General Accounting Office to Chairman John Conyers, Jr., quitm and Ranking Minority Member Alfred A. McCandless; a report entitled, "Drug Control—Interdiction Efforts in Central America Have Had Little Impact on the Flow of Drugs," GAO/NSIAD-94-233; and a report entitled, "The Cali Cartel: The New Kings of Cocaine," October 1994, DEA-94086. Copies of these items may be found in subcommittee files.]

[Whereupon, at 2:05 p.m., the subcommittee was adjourned.]



BOSTON PUBLIC LIBRARY



3 9999 05982 808 5

ISBN 0-16-047556-2



90000

9 780160 475566